DRAFT SHELF PROSPECTUS
Dated September 25, 2019

POWER FINANCE CORPORATION LIMITED
(A Government of India undertaking)

Our Company was incorporated as Power Finance Corporation Limited, on July 16, 1986 as a public limited company under the erstwhile Companies Act, 1956, and was granted a certificate of incorporation by the Registrar of Companies, Delhi & Haryana, and was granted a certificate of commencement of business dated December 31, 1987. For further details, please refer to the section "*History and Certain Corporate Matters*" on page 123.

Corporate Identification Number: L65910DL1986GOI024862.
Registered Office and Corporate Office: Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.
Website: www.pfcindia.com
Telephone: +91 11 2345 6000; **Facsimile**: +91 11 2341 2545; **E-mail**: taxablebonds2019@pfcindia.com
Company Secretary and Compliance Officer of the Company: Mr. Manohar Balwani, Company Secretary; **Telephone**: +91 11 2345 6740; **Facsimile**: +91 11 2345 6293

PUBLIC ISSUE BY POWER FINANCE CORPORATION LIMITED ("COMPANY" OR "ISSUER") OF SECURED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), AGGREGATING UPTO ₹ 10,000 CRORE ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH BEING A "TRANCHE ISSUE") UP TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS(ES) FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "ISSUE DOCUMENT" OR "PROSPECTUS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS") AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED.

OUR PROMOTER

The President of India, acting through and represented by Ministry of Power, Government of India. For further details of our Promoter, please see "*Our Promoter*" on page 143.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 13. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Ministry of Power or any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus to be read together with Shelf Prospectus and the relevant Tranche Prospectus(es) for a Tranche Issue contains and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue, that the information contained in this Draft Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CARE AAA; Stable' by CARE Ratings Limited ("**CARE**"); 'CRISIL AAA / Stable' by CRISIL Limited ("**CRISIL**"); and '[ICRA]AAA(Stable)' by ICRA Limited ("**ICRA**"), for an amount of up to ₹ 56,000 crore *vide* their letters dated September 17, 2019, September 16, 2019, and September 13, 2019, respectively. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. The ratings provided by CARE, ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please see Annexure A for the rating letters and the rationale for the above ratings.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated September 25, 2019, has been filed with the National Stock Exchange of India Limited ("**NSE**"), the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations, on September 25, 2019, and is open for public comments for a period of seven Working Days from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of the Company. Comments may be sent through post, facsimile or e-mail, however please note that all comments by post must be received by the Issuer by 5:00 p.m. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on the NSE. Our Company has obtained 'in-principle' approval for the Issue from NSE *vide* its letter dated [●], 2019. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs and Eligible Investors of the NCDs, see "*Issue Related Information*" beginning on page 220. For details relating to eligible investors see, "*Issue Related Information*" beginning on page 220.

LEAD MANAGERS TO THE ISSUE

TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India. Telephone: +91 22 4084 5000 Facsimile: +91 22 4084 5066 Email: pfcbond2019@trustgroup.in Investor Grievance E-mail: customercare@trustgroup.in Website: www.trustgroup.in Contact person: Ms. Hetal Sonpal Compliance Officer: Mr. Ankur Jain SEBI Registration No.: INM000011120	**A. K. CAPITAL SERVICES LIMITED** 30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: +91 22 6754 6500 / +91 22 6634 9300 Facsimile: +91 22 6610 0594 Email: pfcncd2019@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact person: Ms. Aanchal Wagle / Mr. Krish Sanghvi Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411	**EDELWEISS FINANCIAL SERVICES LIMITED** Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098 Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email:pfcbond2019@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650	**ICICI BANK LIMITED** ICICI Bank Towers, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 22 4008 7295 Facsimile: +91 22 2653 1063 Email: publicbonds@icicibank.com Investor Grievance E-mail: vivek.r@icicibank.com Website: www.icicibank.com Contact person: Mr. Sreekanta Chatterjee Compliance Officer: Mr. Vivek Ranjan SEBI Registration No.: INM000010759	**JM FINANCIAL LIMITED** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 22 6630 3030 Facsimile: +91 22 6630 3330 Email: PFC.bondissue2019@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact person: Ms. Prachee Dhuri Compliance Officer: Mr. Sunny Shah SEBI Registration No.: INM000010361	**SBI CAPITAL MARKETS LIMITED** 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Maharashtra, India. Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 Email:pfcpublicissue2019@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Mr. Mandeep Singh Compliance Officer: Mr. Bhaskar Chakraborthy SEBI Registration No.: INM000003531

REGISTRAR TO THE ISSUE	**DEBENTURE TRUSTEE***
KARVY FINTECH PRIVATE LIMITED (FORMERLY KNOWN AS KCPL ADVISORY SERVICES PRIVATE LIMITED) Karvy Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telangana 500 032 Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 Email: pfc.ncd@karvy.com Investor Grievance Email: einward.ris@karvy.com Website: www.karvyfintech.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221	**BEACON TRUSTEESHIP LIMITED** 4 C&D, Siddhivinayak Chambers, opp. MIG Cricket Club Bandra (East), Mumbai 400 051 Telephone: +91 22 2655 8759 Email: compliance@beacontrustee.co.in Investor Grievance Email: investorgrievances@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Ms. Vaishali Urkude SEBI Registration No.: IND000000569

ISSUE PROGRAMME**

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

* *Beacon Trusteeship Limited pursuant to regulation 4(4) of SEBI Debt Regulations has by its letter dated September 6, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. For further details please see "General Information -Debenture Trustee" on page 34 and see Annexure B.*

** *The Issue shall remain open for subscription on Working Days from 10.00 a.m. till 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the Company, subject to necessary approvals. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to the section titled "Issue Related Information" on page 220.*

A copy of the Shelf Prospectus along with the relevant Tranche Prospectus(es) shall be filed with the Registrar of Companies, NCT of Delhi & Haryana, in terms of Section 26 and 31 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled "Material Contracts and Documents for Inspection" on page 270.

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "our Company" or "Issuer" or "we" or "us" or "our" or "PFC" are to Power Finance Corporation Limited, a public limited company incorporated under the erstwhile Companies Act, 1956.

Unless the context otherwise indicates or implies or defined specifically in this Draft Shelf Prospectus, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or rules or regulations or guidelines or policies includes any amendments or re-enactments thereto, from time to time.

Company Related Terms

Term	Description
"Issuer" or "PFC" or "our Company" or "the Company"	Power Finance Corporation Limited, a public limited company incorporated under the erstwhile Companies Act, 1956 and having its registered office and corporate office situated at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.
"Articles" or "Articles of Association" or "AoA"	Articles of association of our Company, as amended.
"Board" or "Board of Directors"	Board of directors of our Company.
Director(s)	Director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹ 10 (ten) each.
Joint Ventures	Energy Efficiency Services 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 and Edina Power Limited.
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended.
Promoter	The President of India, acting through the Ministry of Power, Government of India.
"Registered Office" or "Corporate Office"	The registered office situated at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.
RoC / Registrar of Companies	Registrar of Companies, NCT of Delhi and Haryana.
"Statutory Auditors" or "Joint Statutory Auditors" or "Auditors"	The current joint statutory auditors of our Company, namely, M/s Gandhi Minocha & Co. and M/s Dass Gupta & Associates.
Subsidiaries	The subsidiaries of our Company in terms of Section 2(87) of the Companies Act, 2013, namely, Chhatisgarh 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, Fatehgarh-II Transco Limited, Bhuj-II Transmission Limited, PFC Consulting Limited, Power Equity Capital Advisors Private Limited, REC Limited, REC Transmission Projects Company Limited, REC Power Distribution Company Limited, 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 and Lakadia Banaskantha Transco Limited.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and the relevant Tranche Prospectus.
A.K. Capital	A.K. Capital Services Limited.
"Allotment" or "Allot" or "Allotted"	The allotment of the NCDs to the Allottees pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the NCDs are allotted pursuant to the Issue.
"Applicant" or "Investor" or "ASBA Applicant"	A person who applies for the issuance and Allotment of NCDs through ASBA process pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus, and the Application Form for any Tranche Issue.
"Application" or "ASBA application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.

Term	Description
“Application Form” or “ASBA Form”	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process, in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank and the Refund Bank.
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
“Bidding Centres” or “Collection Centres”	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs, and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members, are available on the respective websites of the Stock Exchanges.
BSE	BSE Limited.
CARE	CARE Ratings Limited (formerly known as Credit Analysis and Research Limited).
Category I - Institutional Investors	a) Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; b) Provident funds and pension funds with a minimum corpus of ₹ 25 Crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; c) Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations; d) Resident venture capital funds registered with SEBI; e) Insurance companies registered with the IRDAI; f) State industrial development corporations; g) Insurance funds set up and managed by the army, navy, or air force of the Union of India; h) Insurance funds set up and managed by the Department of Posts, the Union of India; i) Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 500 Crore in accordance with the last audited financial statements; j) National Infrastructure Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and k) Mutual funds registered with SEBI.
Category II- Non-Institutional Investors	a) Companies within the meaning of Section 2(20) of the Companies Act, 2013; b) Statutory bodies / corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; c) Co-operative banks and regional rural banks; d) Trusts including public / private charitable / religious trusts which are authorised to invest in the NCDs; e) Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; f) Partnership firms in the name of the partners; g) Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended; h) Association of persons; and i) Any other incorporated and/or unincorporated body of persons.
Category III - High Net-Worth Individuals	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs aggregating up to a value of more than ₹ 10 Lakh, across all series of NCDs in a Tranche Issue.
Category IV- Retail Individual Investors	Resident Indian individuals and HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 10 Lakh, across all series of NCDs in a Tranche Issue.
“Collecting Registrar and Share Transfer Agents” or “CRTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
“Collecting Depository Participants” or “CDPs”	A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular.
Compliance Officer of the Company	Mr. Manohar Balwani, Company Secretary
Members of the Consortium (each individually, a Member of the Consortium	The Lead Managers and the Consortium Members.
Committee of Directors	A committee consisting of the Director (Finance), Director (Projects) and Mr. Sitaram Bhanwarlal Pareek, Independent Director to decide, *inter alia*, the Issue structure and other Issue related decisions on behalf of the Board, unless specified otherwise in the context thereof.
Consolidated Financial Information under IND-AS	The statement of consolidated balance sheet as at March 31, 2019 and 2018, the consolidated summary statement of profit and loss, the consolidated summary statement of cash flows for each of the years ended March 31, 2019 and 2018, and the related summary of changes in equity, statement of significant accounting policies, and notes to accounts, as examined by our Company’s Statutory Auditors. Our audited consolidated financial statements for the year ended March 31, 2019, form the basis for such Consolidated Financial Information under IND-AS.
Consortium Agreement	Consortium agreement to be signed among our Company and the Consortium Members prior

Term	Description
	to each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus.
Credit Rating Agencies	CARE, ICRA and CRISIL.
CRISIL	CRISIL Limited.
"Debenture Holder(s)" or "NCD Holder(s)"	Any person holding the NCDs and whose name appears on the beneficial owners list provided by the Depositories (in case of NCDs in dematerialized form) or whose name appears in the Register of Debenture Holders maintained by the Issuer (in case of NCDs in physical form pursuant to remateralization).
"Debentures" or "NCDs"	Secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each proposed to be issued by our Company in terms of the Shelf Prospectus and relevant Tranche Prospectus.
Debenture Trustee Agreement	Agreement dated September 24, 2019, entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, in accordance with applicable laws.
Debenture Trustee or Trustee	Trustee for the Debenture Holders, in this case being Beacon Trusteeship Limited.
Debt ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018, as amended from time to time.
Deemed Date of Allotment	The date on which the Authorized Officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The details of an Applicant, such as his address, bank account details, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications, a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms, are available on the respective website of the Stock Exchange(s), as updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Intermediaries	The members of the Consortium, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange at (https://www.bseindia.com/), as updated from time to time.
Designated Stock Exchange	NSE
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Direct Online Application	An online interface enabling direct application by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	This draft shelf prospectus dated September 25, 2019, filed with the Designated Stock Exchange for receiving public comments, and with SEBI for its records, in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited.
EESL	Energy Efficiency Services Limited
Financial Information under IND-AS	Collectively, the Consolidated Financial Information under IND-AS and the Standalone Financial Information under IND-AS.
Group Company(ies)	As defined under Regulation (2)(1)(t) of the Securities and Exchange of Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Our Company does not have any Group Companies.
ICICI Bank	ICICI Bank Limited.
ICRA	ICRA Limited.
Issue	Public issue by our Company of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating up to ₹ 10,000 Crore in one or more tranches.
Issue Agreement	Agreement dated September 24, 2019, entered into amongst our Company, and the Lead Managers.
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for each Tranche Issue.
"Issue Documents" or "Offer Documents"	Collectively this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus(es) for the Issue, the Application Form and the Abridged Prospectus, including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue.

Term	Description
Issue Opening Date	Issue opening date as specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
JM Financial	JM Financial Limited.
"Lead Managers" or "LMs"	Trust Investment Advisors, A.K. Capital, Edelweiss, ICICI Bank, JM Financial and SBI Capital Markets.
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended.
Limited Review Financial Results	The unaudited standalone financial results of the Company for the quarter ended June 30, 2019.
Market Lot	As mentioned in the relevant Tranche Prospectus
"Maturity Amount" or "Redemption Amount"	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
"Maturity Date" or "Redemption Date"	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
NRIs	Persons resident outside India who are citizens of India, as defined in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended.
NSE	National Stock Exchange of India Limited.
PFCCL	PFC Consulting Limited
PTC	PTC India Limited
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	As specified in the relevant Tranche Prospectus.
PXIL	Power Exchange India Limited
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Reformatted Audited Financial Information under IGAAP	Collectively, the Reformatted Consolidated Financial Information under IGAAP and the Reformatted Standalone Financial Information under IGAAP.
Reformatted Consolidated Financial Information under IGAAP	The statement of reformatted consolidated balance sheet as at March 31, 2018, 2017, 2016 and 2015, the reformatted consolidated summary statement of profit and loss and the reformatted consolidated cash flow statements for each of the years ended March 31, 2018, 2017, 2016 and 2015 and the statement of significant accounting policies, and notes to accounts, as examined by our Company's Statutory Auditors. Our audited consolidated financial statements as at and for each of the years ended March 31, 2018, 2017, 2016 and 2015 form the basis for such Reformatted Consolidated Financial Information under IGAAP.
Reformatted Standalone Financial Information under IGAAP	The statement of reformatted standalone balance sheet as at March 31, 2018, 2017, 2016 and 2015, the reformatted standalone summary statement of profit and loss, the reformatted standalone cash flow statement for each of the years ended March 31, 2018, 2017, 2016 and 2015, and statement of significant accounting policies, and notes to accounts, as examined by our Company's Statutory Auditors. Our audited standalone financial statements as at and for each of the years ended March 31, 2018, 2017, 2016 and 2015 form the basis for such Reformatted Standalone Financial Information under IGAAP.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made and as specified in the relevant Tranche Prospectus.
Refund Bank	As specified in the relevant Tranche Prospectus.
Register of NCD Holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
"Registrar to the Issue" or "Registrar"	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Registrar Agreement	Agreement dated September 24, 2019, entered into between our Company and the Registrar to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Consortium, and eligible to procure Applications from Applicants.
SBI Capital Markets	SBI Capital Markets Limited.
Security	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest accrued on the NCDs shall be secured by way of first *pari passu* charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), more particularly as

Term	Description
	detailed in the section titled "*Issue Structure*" on page 220.
Series	As specified in relevant Tranche Prospectus(es)
Series NCD Holder(s)	As specified in the relevant Tranche Prospectus.
"Self Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Shelf Prospectus	The shelf prospectus to be filed with the RoC and the Designated Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Specified Locations	Bidding centers where the Member of the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Standalone Financial Information under IND-AS	The statement of standalone balance sheet as at March 31, 2019 and 2018, the standalone summary statement of profit and loss, the standalone summary statement of cash flows for each of the years ended March 31, 2019 and 2018, the related summary of changes in equity, statement of significant accounting policies, and notes to accounts, as examined by our Company's Statutory Auditors. Our audited standalone financial statements for the year ended March 31, 2019, form the basis for such Standalone Financial Information under IND-AS.
Stock Exchange(s)	NSE and/or BSE, as the case may be.
Syndicate ASBA	Applications submitted by an ASBA Applicant through the Members of the Consortium and Trading Members instead of the Designated Branches of the SCSBs
Syndicate ASBA Application Locations	Bidding centres where the Members of the Consortium and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Consortium or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Consortium, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered as brokers under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended, and with the BSE and/or NSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the BSE and NSE from time to time, and duly registered with BSE and/or NSE for collection and electronic upload of Application Forms on the electronic application platform provided by the BSE and/or NSE.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The relevant Tranche Prospectus for each Tranche Issue containing, *inter alia*, the details of NCDs including interest and other terms and conditions in respect of the relevant Tranche Issue.
Trust Investment Advisors	Trust Investment Advisors Private Limited.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when the stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai.

Conventional and General Terms or Abbreviations

Term or Abbreviation	Description or Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
BPS	Basis points.
CAG	Comptroller and Auditor General of India.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CESTAT	Customs Excise and Service Tax Appellate Tribunal
CIC	Core Investment Company.
CIT(Appeals)	Commissioner of Income Tax (Appeals)
CMD	Chairman and Managing Director.
Companies Act, 1956	Companies Act, 1956, as amended.
Companies Act, 2013	Companies Act, 2013, as amended.
CRAR	Capital to Risk Weighted Assets Ratio.
Crore	1,00,00,000.
CSR	Corporate Social Responsibility.
CWIP	Capital work in progress
Debt Application Circular	The circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI.
DIN	Director Identification Number.
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996, as amended.
“DP” or “Depository Participant”	Depository Participant as defined under the Depositories Act.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
ECB	External Commercial Borrowing
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, as amended.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
“Financial Year” or “Fiscal” or “FY”	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
“GoI” or “Government”	Government of India
HUF	Hindu Undivided Family.
IAS	Indian Administrative Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
ITAT	Income Tax Appellate Tribunal.
“Income Tax Act” or “I.T. Act” or “IT Act”	Income Tax Act, 1961.
Indian GAAP	Accounting Standards in accordance with the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013, and other relevant provisions of the Companies Act, 2013.
IND-AS	Indian accounting standards (IND-AS) in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act.
IRDAI	Insurance Regulatory and Development Authority of India.
ISIN	International Securities Identification Number.
IT	Information technology.
JV	Joint venture.
Lakh	1,00,000.
LIBOR	London Inter-Bank Offer Rate.
LTV	Loan to value.
Master Direction on IT Framework	RBI Master Direction - Information Technology Framework for the NBFC Sector, bearing reference number, RBI/DNBS/2016-17/53 Master Direction DNBS.PPD.No.04/66.15.001/2016-17, dated June 8, 2017.
MICR	Magnetic ink character recognition
MoF	Ministry of Finance, GoI.
MCA	Ministry of Corporate Affairs, GoI.
Million	1,000,000.
NACH	National Automated Clearing House.
NBFC	Non-Banking Finance Company, as defined under applicable RBI guidelines.
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer.
NGO	Non-governmental organisations.
NSDL	National Securities Depository Limited.
“NR” or “Non-resident”	A person resident outside India, as defined under FEMA.
p.a..	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PFC	Power Finance Corporation Limited

Term or Abbreviation	Description or Full Form
PFI	Public Financial Institution, as defined under Section 2 (72) of the Companies Act, 2013.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
REC	REC Limited.
"₹" or "Rupees" or "Indian Rupees" or "Rs." or "INR"	The lawful currency of India.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SCD Rules	Companies (Share Capital and Debentures) Rules, 2014, as amended.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
TDS	Tax Deducted at Source.
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting.
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.

Business / Industry Related Terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee.
ALM	Asset Liability Management.
AUM	Loans and Advances.
CAGR	Compounded Annual Growth Rate.
CCEA	Cabinet Committee on Economic Affairs
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPSU	Central Public Sector Undertaking.
CRAR	Capital to Risk Adjusted Ratio.
DSCR	Debt Service Coverage Ratio
DSRA	Debt Service Reserve Account
ECL	Expected Credit Loss
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning.
DDUGJY	Deendayal Upadhyaya Gram Jyoti Yojana
Discom(s)	Distribution company(ies)
DMS	Distribution Management System
DPE	Department of Public Enterprises, GoI.
Gross NPA	The non-performing portfolio loans outstanding (gross) as of the last day of the relevant period.
Gross NPA (%)	Percentage of the non-performing portfolio loans outstanding (gross) to gross credit exposure (total assets under management).
IFC	Infrastructure Finance Company.
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISO	International Organization for Standardization
ITP	Independent Transmission Projects
KYC	Know Your Customer.
MoP	Ministry of Power, Government of India

Term/Abbreviation	Description/ Full Form
MU	Million Unit
MW	Megawatt
Net NPA	The non-performing portfolio loans outstanding (net) as of the last day of the relevant period i.e. non-performing portfolio loans outstanding (gross) as reduced by the provision for non-performing assets.
Net NPA (%)	Percentage of the non-performing portfolio loans outstanding (net after adjusting provision against NPA) to gross credit exposure.
NPA	Non-Performing Asset.
PPP	Purchasing Power Parity.
PSE	Public sector enterprise.
PSU	Public sector undertaking
R-APDRP	Restructured Accelerated Power Development and Reform Program
RE	Rural Electrification.
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RRB	Regional Rural Bank.
SCADA	Supervisory Control and Data Acquisition
SCB	Scheduled Commercial Banks.
SEB	State Electricity Board
SERC	State Electricity Regulatory Commissions
SPU	State Power Utility
SPV	Special Purpose Vehicles
TRA	Trust and Retention Account
UDAY	Ujwal DISCOM Assurance Yojana
UMPP	Ultra Mega Power Projects

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Capital Structure*", "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Our Management*", "*Financial Indebtedness*", "*Outstanding Litigation*", and "*Issue Procedure*" beginning on pages 39, 58, 107, 123, 132, 144, 197, and 236, respectively, will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "India" are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from our Reformatted Audited Financial Information under IGAAP and Financial Information under IND-AS, of the respective years. In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year. Therefore, all references to a particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months' period ended on March 31 of that year.

The Government has introduced IND-AS pursuant to the "Convergence of its existing standards with IFRS". Our Company is required to: (i) prepare its financial statements in accordance with IND-AS for periods beginning on or after April 1, 2018, and (ii) for the purposes of disclosure in this Draft Shelf Prospectus, prepare and present our financial statements for the latest Fiscals (in this case, for Fiscal 2019) under IND-AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India and the SEBI Debt Regulations, the comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making IND-AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with Indian GAAP. Further, we present our financial statements for the earlier four Fiscals (in this case, Fiscals 2018, 2017, 2016 and 2015) in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India and the SEBI Debt Regulations; and unaudited limited review of standalone and consolidated financial results for the three months ended on June 30, 2019. Accordingly, our financial statements for Fiscal 2019 may not be comparable to our historical financial statements.

Our Company's financial statements for the year ended and March 31, 2018, March 31, 2017, March 31, 2016, and March 31, 2015 have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, 2013, as applicable, and other applicable statutory and / or regulatory requirements. Our Company's financial statements for the year ended March 31, 2019 and the comparative information for Fiscal 2018 included in this Draft Shelf Prospectus has been prepared in accordance with IND-AS, guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, 2013 as applicable and other applicable statutory and/or regulatory requirements. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making IND-AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with Indian GAAP. In addition to the Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP, all additional financial information included in this Draft Shelf Prospectus as at and for the period ended March 31, 2019 has been prepared in accordance with IND-AS and the comparative information for the year ended March 31, 2018 have been prepared by making IND-AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with Indian GAAP. Our Company's Limited Review Financial Results have been prepared in accordance with IND-AS.

Unless stated otherwise and unless the context requires otherwise, the financial data as at and for the three months period ended June 30, 2019 used in this Draft Shelf Prospectus is derived from our Company's Limited Review Financials. Further, unless stated otherwise and unless the context requires otherwise, the financial data used in this Draft Shelf Prospectus as at and for the year ended March 31, 2019, 2018, 2017, 2016, and 2015 is derived from Financial Information under IND-AS and the Reformatted Audited Financial Information under IGAAP.

Unless stated otherwise, the financial data used in this Draft Shelf Prospectus as at and for the year ended March 31, 2019 is prepared in accordance with IND AS. Further, the financial data and numbers used in this Draft Shelf Prospectus are under IND AS and IGAAP is not strictly comparable.

The Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP and the Limited Review Financial Results, are included in this Draft Shelf Prospectus as "*Financial Statements*" in Annexure C.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, and references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America, and references to "Euro" and "€" are to Euro i.e. the official and lawful currency of the countries of European Union, and references to "¥", "Yen" and "JPY" are to Japanese yen i.e. the legal currency of Japan. For the purposes of this Draft Shelf Prospectus data will be given in Lakh and Crore, as the case may be. In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

The industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used from these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data as presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (₹) of USD and €, as of June 30, 2019 and March 31, 2019, 2018, 2017, 2016 and 2015 are provided below:

Currency	June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
1 USD	68.92	69.17	65.04	64.84	66.33	62.59
1 Euro	78.36	77.70	80.62	69.25	75.10	67.51
100 JPY	63.97	62.52	61.54	57.96	59.06	52.11

Source: www.rbi.org.in and https://www.fbil.org.in/securities?op=referencerate&mq=o
In the event that June 30, 2019 or March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "contemplate", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- concentration of lending to public sector borrowers and our ability to manage our asset portfolio quality;
- ability to recover value from or enforce security for loans provided;
- ability to maintain low effective cost of borrowing;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- growth prospects of the Indian power sector and related policy developments;
- changes in the demand and supply scenario in the power sector in India;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian and international markets;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business; and
- other factors discussed in this Draft Shelf Prospectus, including under the section titled "*Risk Factors*" on page 13.

For further discussion of factors that could cause our actual results to differ please refer to the section titled "*Risk Factors*" on page 13.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "*Our Business*" on page 76. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates, nor the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, the Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus with the ROC and the date of obtaining the listing and trading approval for the NCDs.

SECTION II – RISK FACTORS

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to other information contained in this Draft Shelf Prospectus including "Our Business" and "Financial Information" on pages 76 and 144, respectively and "Financial Statements" contained in Annexure C, of this Draft Shelf Prospectus, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition, cash flows and result of operation could suffer, the trading price of the NCDs could decline, and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. Further, the risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The ordering of the risk factors is intended to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another. This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

In this section, unless the context otherwise requires, a reference to "the Company" or "we", "us" or "our Company" is a reference to Power Finance Corporation Limited and unless the context otherwise requires, a reference to "the PFC Group" refers to Power Finance Corporation Limited and its subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis. Unless stated otherwise, the financial data in this section is as per our standalone financial information.

A. RISKS IN RELATION TO OUR BUSINESS

1. We have a significant concentration of outstanding loans to certain borrowers, particularly public sector power utilities, many of which are historically loss-making, and if these loans become non- performing, the quality of our asset portfolio may be adversely affected.

We are a Public Financial Institution ("**PFI**") focused on financing of the power sector in India, which has a limited number and type of borrowers, primarily comprising of state power utilities ("**SPUs**") and state electricity boards ("**SEBs**"), many of which have been historically loss making. Our past exposure has been, and future exposure is expected to be, concentrated towards these borrowers. As of March 31, 2019, our government sector (including SPUs and SEBs) and private sector borrowers accounted for 82.96% and 17.04% respectively, of our total outstanding loans. Historically, SPUs or SEBs have had a relatively weak financial position and have in the past defaulted on their indebtedness. Consequently, we have had to restructure some of the loans sanctioned to certain SPUs and SEBs, including rescheduling of repayment terms. In addition, many of our public sector borrowers, particularly SPUs, are susceptible to various operational risks including low metering at the distribution transformer level, high revenue gap, high receivables, low plant load factors and high AT&C losses, which may lead to further deterioration in the financial condition of such entities.

As of March 31, 2019, our total outstanding loans were ₹ 3,14,666.93 crore, of which, our single largest borrower accounted for 7.91% (₹ 24,905.35 crore) of our total outstanding loans, and our top five and top 10 borrowers accounted for, in the aggregate, 26.97% (₹ 84,865.56 crore) and 41.34% (₹ 1,30,073.63 crore), respectively, of our total outstanding loans. In addition, we have additional exposure to these borrowers in the form of non-fund based assistance. Our most significant borrowers are primarily public sector power utilities. Any negative trends, or financial difficulties, or inability on the part of such borrowers to manage operational, industry, and other risks applicable to such borrowers, could result in an increase in our non-performing assets ("**NPAs**") and adversely affect our business, financial condition and results of operations. For further details of our NPAs, see the risk titled "*– If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.*"

2. We may not be able to recover, or there may be a delay in recovering, the expected value from security and collaterals for our loans, which may affect our financial condition.

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, we have not obtained such security or collateral for all our loans. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected in accordance with the policy of the Company. There can be no assurance that any security or collateral that we have obtained will be adequate to cover repayment of our loans or interest payments thereon or that we will be able to recover the expected value of such security or collateral in a timely manner, or recover at all. As of March 31, 2019, 63.03% of our outstanding loans were secured, 18.56% were unsecured (but guaranteed by banks or governments), and 18.41% were unsecured.

Our loans are typically secured by various movable and immovable assets and/ or other collaterals. We generally seek a first ranking *pari passu* charge on the relevant project assets for loans extended on a senior basis, while for loans extended on a subordinated basis we generally seek to have a second *pari passu* charge on the relevant project assets. In addition, some of our loans may relate to imperfect security packages or negative liens provided by our borrowers. The value of certain kinds of assets may decline due to operational risks that are inherent to power sector projects, the nature of the asset secured in our favour, and any adverse market or economic conditions in India or globally. The value of the security or collateral obtained may also decline due to an imperfection in the title or difficulty in locating movable assets. Although some parts of legislations in India provide for various rights of creditors for the effective realization of collateral in the event of default, there can be no assurance that we will be able to enforce such rights in a timely manner, or enforce them at all. There could be delays in implementing bankruptcy or foreclosure proceedings. Further, inadequate security documentation or imperfection in title to security or collateral, requirement of regulatory approvals for enforcement of security or collateral, or fraudulent transfers by borrowers may cause delays in enforcing such securities. Furthermore, in the event that any specialised regulatory agency assumes jurisdiction over a defaulting borrower, actions on behalf of creditors may be further delayed.

Certain of our loans have been granted as part of a syndicate, and joint recovery action implemented by a consortium of lenders may be susceptible to delay or not favourable to us. In this regard, RBI has also developed a resolution process to provide a framework for early recognition, reporting and time bound resolution of stressed assets in terms of circular dated June 7, 2019 ("**Stressed Asset Framework**"). The framework provides that lenders shall recognise incipient stress in loan accounts, immediately on default by classifying such assets as special mention accounts in various categories. It further provides that if 75% of creditors by value of total outstanding credit facilities (fund based as well as non-fund based) and 60% of the creditors by number agree to a restructuring package of an existing debt (i.e. an outstanding debt), the agreement is also binding on the remaining creditors.

The Stressed Asset Framework mandates higher provisioning if Resolution Plan is not implemented within a stipulated time period. Certain projects have been driven to NCLT, which may or may not require a significant hair-cut. The resolution under NCLT is required within a time span of 180 days, extendable further for 90 days. Considering these timelines, it is envisaged that the resolution of these stressed projects may not happen in the near future, and the Company may have to take haircuts at the time of resolution of these stressed assets. Once resolution process is complete, the funds realized from the sale of these assets will be reinvested at a lower rate, and will have an impact on the Company's financials going forward. The Company faces the risk of higher provisioning and significant haircuts, wherever its projects fall under the 'stressed assets' category. Further, the Stressed Asset Framework has repealed the earlier issued instructions of the RBI on resolution of stressed assets such as the framework for revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring scheme ("**SDR**"), change in ownership outside SDR and scheme for sustainable structuring of stressed assets ("**S4A**"). Accordingly, the Stressed Assets Framework will impact our asset quality and profitability.

For a further summary please see the section titled "*Regulations and Policies*" on page 107.

In circumstances where other lenders with such exposure / loan account by value and number and are entitled to determine corrective action plan for any of our borrowers, we may be required by such other lenders to agree to such corrective action plan, irrespective of our preferred mode of settlement of our loan to such borrower or subject our loan account to accelerated provisioning. Furthermore, with respect to any loans made as part of a consortium arrangement and multiple banking arrangement, a majority of the relevant lenders may elect to pursue a course of action that may not be favourable to us. Additionally, in the event that we dissent from a particular resolution plan, while under the Stressed Assets Framework we are entitled to receive liquidation value of the stressed asset, there can be no assurance that such liquidation value or any amount recovered pursuant to a resolution plan may be beneficial or in excess of amounts otherwise recoverable by us. Any such corrective action plan / accelerated provisioning could lead to an unexpected loss that could adversely affect our business, financial condition or results of operations.

3. We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business.

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets.

There are restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our short term borrowing, medium term borrowing, long term borrowing, and bonds trust deeds. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission/consents of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion or taking up an allied line of business. Such restrictive covenants in our loan and bond documents may restrict our operations or ability to expand and may adversely affect our business.

In addition, if our Company fails to meet its debt service obligations or if a default otherwise occurs, its lenders could declare our Company in default under the terms of its borrowing and accelerate the maturity of its obligations, or in some cases, could exercise step-in rights, or could enforce the security underlining their secured lending, such as security created on the secured long-term Rupee-denominated infrastructure bonds. Any acceleration of the maturity of our Company's obligations could have a material adverse effect on our Company's cash flows, business and results of operations. Furthermore, our Company's lenders may recall certain short-term demand loans availed of by our Company at any time. There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are required to operate and grow its business in the future.

As of the date of this Draft Shelf Prospectus, we have not obtained consents in relation to the Issue from UCO Bank, Canara Bank and Bank of India. We will file the Shelf Prospectus and the relevant Tranche Prospectus only upon obtaining the consent of UCO Bank, Canara Bank and Bank of India, in respect of the Issue.

4. With power sector financing industry becoming increasingly competitive, our growth will depend on our ability to maintain a low effective cost of funds; inability to do so could have a material adverse effect on our business, financial condition and results of operations.

Our ability to compete effectively is dependent on our timely access to capital, the costs associated with raising capital and our ability to maintain a low effective cost of funds in the future that is comparable or lower than that of our competitors. Many of our competitors have greater and cheaper resources than us. Competition in our industry depends on, among other things, the ongoing evolution of Government policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks and financial institutions in India. Our primary competitors are public sector infrastructure finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. As a Government owned NBFC, loans made by us to Central and state entities in the power sector are currently exempt from the RBI's prudential lending (exposure) norms that are applicable to other non-Government owned NBFCs until March 31, 2022. We believe that our borrowing costs have been competitive in the past initially due to the sizeable equity contribution by the GoI as a 100% owner, the availability of tax-free bonds, SLR bonds and loans guaranteed by the GoI and subsequently as a result of our credit ratings. Further, our classification as an IFC enables us, among other things, to diversify our borrowing through the issuance of Rupee-denominated infrastructure bonds to bondholders, as and when notified by the GoI, and to raise ECBs under the automatic route, subject to certain specified limits. Adverse developments in economic and financial markets or the lack of liquidity in financial markets could make it difficult for us to access funds at competitive rates.

Our interest rate margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. Our cost of funds (ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized) raised as on March 31, 2019 is 7.95%. However, we may not be able to maintain the same during subsequent periods without raising funds from debt market through various concessional debt issues. While we have generally been able to pass on the increased cost of funds to our customers over this period, we may not be able to continue to do so in future. In the event we were to suffer a decline in interest rate margins, we would be required to increase our lending activity in order to maintain our then current profit level. However, there can be no assurance that we will be able to do so and we may suffer reduced profitability or losses. In the event our interest rate margins decrease, the same may adversely affect our business, financial condition and results of operations.

Following a general decrease in the level of direct and indirect financial support by the GoI to us in recent years, we are fundamentally dependent upon funding from the equity and debt markets and commercial borrowing and are particularly vulnerable in this regard given the growth of our business. The market for such funds is competitive and there can be no assurance that we will be able to obtain funds on acceptable terms, or obtain funds at all. Many of our competitors have or may have access to greater and cheaper sources of funding. Furthermore, many of our competitors may have larger resources or greater balance sheet strength than us and may have considerable financing resources. In addition, since we are a non- deposit taking NBFC, we may have restricted access to funds in comparison to banks and deposit taking NBFCs. While we have generally been able to pass any increased cost of funds onto our customers, we may not be able to do so in the future. If our financial products are not competitively priced, there is a risk of our borrowers raising loans from other lenders and in the case of financially stronger SPUs and SEBs and private sector borrowers, there is a risk of their raising funds directly from the market. Our ability to raise capital also depends on our ability to maintain our credit ratings in order to access various cost competitive funding options.

If we are not able to maintain a low effective cost of funds, we may not be able to implement our growth strategy, competitively price our loans and, consequently, we may not be able to maintain the profitability or growth of our business, which could have a material adverse effect on our business, financial condition and results of operations.

5. Inability to develop or implement effective risk management policies and procedures could expose our Company to unidentified risks or unanticipated levels of risk.

Our Company has put in place an Integrated Enterprise–wide Risk Management ("**IRM**") policies and procedures that list all risks we face, which may have an impact on profitability and business of our Company, their root causes, existing mitigations factors and action plans for further mitigations, where required. The risks have been prioritized and key performance indicators identified for measuring and monitoring. A Risk Management Committee of the Board is constituted for monitoring the risks, mitigations and implementation of action plans. Our Company has Currency Risk Management ("**CRM**") Policy and has appointed a consultant to manage risks associated with foreign currency borrowing. Our Company has also put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("**ALCO**") to monitor and mitigate risks related to liquidity and interest rate.

Although our Company follows various risk management policies and procedures to identify, monitor and manage risks, there can be no assurance that such policies and procedures will be effective in addressing all risks that our Company encounters in its business and operations or that such policies and procedures are as comprehensive as those implemented by banks and other financial institutions. Our Company's risk management policies and procedures are based, among other considerations, on historical market behaviour, information regarding borrowers, and market knowledge. Consequently, these policies and procedures may not predict future risk exposures that could vary from or be greater than those indicated by historical measures. In addition, information available to our Company may not be accurate, complete, up-to-date or properly evaluated. Unexpectedly large or rapid movements or disruptions in one or more financial markets or other unforeseen developments could have a material adverse effect on our Company's results of operations and financial condition. Our Company's risk management policies and procedures are also influenced by applicable GoI policies and regulations, and may prove inadequate or ineffective in addressing risks that arise as a consequence of any development in GoI policies and consequently can have an adverse effect on our Company's business and operations. In addition, our Company intends to continue to diversify its borrower portfolio and extend fund based and non-fund based financial and other assistance and services to projects that represent forward and backward linkages to the core power sector projects. These business initiatives may involve operational and other risks that are different from those our Company currently encounters or anticipates, and there can be no assurance that our Company will be able to effectively identify and address any additional risks that apply to such business initiatives. Inability to develop, modify and implement effective and dynamic risk management policies and procedures may adversely affect our Company's growth strategy. Management of operational, legal, and regulatory risk requires, among others, policies and procedures to accurately record and verify transactions and events. There can be no assurance that our Company's policies and procedures will effectively and accurately record and verify such information. Failure of our Company's risk management policies and procedures or exposure to unanticipated risks could lead to losses and adversely affect our Company's business, financial condition and results of operations.

6. We have received an order from the RoC in relation to non-compliance with certain provisions of the Companies Act, which if determined against us, could adversely impact our business and financial condition.

Under Section 234 (1) of the Companies Act, 1956, the RoC issued an order on July 24, 2013 to our Company requiring us to furnish information and/or explanation on certain issues pertaining to our financial statements for FY 2007-08 to 2011-12, where the RoC had observed that our Company had *prima facie* contravened certain provisions of the Companies Act, 1956 read with Accounting Standards which include, *inter alia*, the accounts of our Company not being prepared on an accrual basis, incomplete disclosures in the balance sheet, overstatement of profit, classification of doubtful debts as good, not reflecting true and fair view, non-compliance with ICAI suggestions on creation of deferred tax liability on special reserve for the period 2001-02 to 2003-04 by charging the profit and loss account and crediting the reserve.

In addition, the RoC had asked our Company to furnish certain documents and details including details of the issue on infrastructure bonds including the objects of raising such funds, utilization of funds raised through the issue, unutilized amount and where such utilized amounts been invested, among others. Our Company gave a detailed response on August 30, 2013 to the RoC order, explaining with reasons and documents *inter alia* that there were no contraventions of the provisions of Companies Act, 1956 or Accounting Standards, nor are there was any wilful misstatement, the classification of the assets as standard was in accordance with the prudential norms of our Company, non-creation of deferred tax liability on special reserve was in line with the letter dated June 2, 2009 of the Accounting Standard Board of the ICAI. Further, the details of issues of infrastructure bonds were also furnished in our letter dated August 30, 2013. RoC, vide letter dated October 10, 2014 forwarded their comments to MoP on our response and clarification, who in turn had asked for the comments of our Company, vide MoP letter dated October 31, 2014. Our Company had furnished reply to MoP on December 12, 2014. The MoP, vide letter dated April 27, 2015 asked our Company to place the observations of the RoC before the Board of our Company. The Board had considered and ratified our Company's reply dated August 30, 2013 to the RoC order. This was informed to MoP vide our letter dated June 2, 2015. Thereafter, there was no further query or communication from RoC. For further details please refer to the section titled "*Outstanding Litigations*" on page 197.

If the alleged contraventions are determined against us, our Company and its officers in default may be subjected to fines and penalties and our officers in default may be subjected to imprisonment, in accordance with the Companies Act, 1956, which may have a material adverse impact on the business and financial condition of our Company.

While presently no penalties have been levied on us nor any adverse action has been taken by RoC with respect to the alleged contraventions, we cannot assure you that such action will not be taken in the future.

7. Risks inherent to power sector projects, particularly power generation projects, could adversely affect our Company's business, financial condition and results of operations.

Our Company is a financial institution focused on providing financial and other assistance and related services to power sector projects. Power sector projects, particularly power generation projects, typically involve long gestation periods before they become operational and involve various project-specific risks as well as risks that are generally applicable to the power sector in India. Many of these risks applicable to power sector projects that our Company finances are beyond our control and include:

- political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of power sector projects, including changes in any tariff regulations applicable to power plants;
- delays in the implementation of GoI policies and initiatives;
- changes in Government and regulatory policies relating to the power sector;
- environmental concerns and environmental regulations applicable to power sector projects that, including, for example, relevant coal mining areas being classified as "no-go" areas;
- delays in obtaining environmental clearances or land for the projects;
- extent and reliability of power sector infrastructure in India;
- strikes, work stoppages or increased wage demands by employees or any other disputes with employees that affect the project implementation schedule or operations of the projects;
- adverse changes in demand for, or the price of, power generated or distributed by the projects;
- disruption of projects due to explosions, fires, earthquakes and other natural disasters, breakdown, failure or substandard performance of equipment, improper installations or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks and labour disputes;
- the willingness and ability of consumers to pay for the power produced by the projects;
- shortages of, or adverse price fluctuations in, fuel and other raw materials and key inputs involved in power generation, including coal, oil and natural gas;
- increase in project development costs due to environmental challenges and changes in environmental regulations;
- changes in credit ratings of our Company's borrowers affecting their ability to finance projects;
- interruption or disruption in domestic or international financial markets, whether for equity or debt funds;
- delays in the construction and operation of projects;
- domestic power companies face significant project execution and construction delay risks i.e. longer than expected construction periods due to delays in obtaining environmental permits and infrastructure related delays in connecting to the grid, accessing offtake and finalising fuel supply agreements could cause further delays;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of co-lenders (with our Company under consortium lending arrangements) to perform their contractual obligations;
- failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform their contractual obligations in respect of the power projects;
- adverse developments in the overall economic environment in India;
- the provisions of the Electricity Act, 2003 have significantly increased competition in the power generation industry which may negatively impact individual power generation companies;
- failure to supply power to the market due to unplanned outages of any projects, failure in transmission systems or inter-regional transmission or distribution systems;
- adverse fluctuations in liquidity, interest rates or currency exchange rates;
- changes in technology may negatively impact power generation companies by making their equipment or power projects less competitive or obsolete;
- fluctuating fuel costs; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located in the markets they are intended to serve.

The long-term profitability of power sector projects, when commissioned, is partly dependent on the efficiency of their operation and maintenance of their assets. Delayed implementation, initial complications, inefficient operations, inadequate maintenance and similar factors may reduce the profitability of such projects, adversely affecting the ability of our Company's borrowers to repay its loans or service interest payments thereon. Furthermore, power sector projects may be exposed to unplanned interruptions caused by catastrophic events such as floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flows available from these projects. Furthermore, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation or penalties and/or regulatory or contractual non-compliance. To the extent the risks mentioned above or other risks relating to the power sector projects that our Company finances, materialise, the quality of our Company's asset portfolio and our Company's results of operations may be adversely affected. Furthermore, as our Company continues to expand its operations, its loans to individual projects may increase, thereby increasing its exposure with respect to individual projects and the potential for adverse effects on our Company's business, financial condition and results of operations in the event these risks were to materialise.

Further, any negative trend or financial difficulty in the Indian power sector could adversely affect our business and financial performance.

We believe that further development of India’s power sector is dependent on regulatory framework, policies and procedures that facilitate and encourage private and public sector investment in the power sector. Many of these policies are evolving and their success will depend on whether they properly address the issues faced and are effectively implemented.

Additionally, these policies will need continued support from stable and experienced regulatory regimes throughout India that not only stimulate and encourage the continued investment of capital into power development, but also lead to increased competition, appropriate allocation of risk, transparency and more efficient power supply and demand management to the end consumer.

If the Central and state Governments’ initiatives and regulations in the power sector do not proceed to improve the power sector as intended or if there is any downturn in the macroeconomic environment in India or in the power sector, our business and financial performance could be adversely affected.

8. If inflation increases, our Company’s results of operations and financial condition may be adversely affected.

There have been periods of slowdown in the economic growth of India. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall. Any persisted or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of raw materials involved in power generation and demand for our products and, as a result, on our business and financial results. In the event that domestic inflation or global inflation increases, certain of our Company's costs, such as salaries, which are typically linked to general price levels, may increase. Furthermore, if interest rates in India remain high, or if the RBI continues to retain high interest rates, our Company may face increased costs of funding. To the extent our Company cannot pass these increases on to its borrowers, its results of operations could be adversely affected.

9. We currently fund our business in significant part through use of borrowing that have shorter maturities than the maturities of substantially all of our new loan assets and we may be required to obtain additional financing in order to repay our indebtedness and grow our business.

We may face potential liquidity risks due to mismatches in our funding requirements and the financing we provide to our borrowers. In particular, a significant part of our business is funded through borrowing that have shorter maturities than the maturities of substantially all of our new loan assets. Our long-term loan assets represented 95.87% of total loan assets as of March 31, 2019, while our long-term borrowing represented 90.44%, of our Company’s total borrowing as of such date. Our Company's financial products also have maturities that exceed the maturities of its borrowing.

To the extent our Company funds its business through the use of borrowing that have shorter maturities than the loan assets our Company disburses, our Company's loan assets will not generate sufficient liquidity to enable it to repay its borrowing as they become due, and our Company will be required to obtain new borrowing to repay its existing indebtedness. There can be no assurance that new borrowing will be available on favourable terms, or available at all. In particular, our Company is increasingly reliant on funding from the debt capital markets. The market for such funds is competitive and our Company's ability to obtain funds on acceptable terms will depend on various factors including, in particular, our Company's ability to maintain its credit ratings. Furthermore, our financial position may also be aggravated if our Company's borrowers pre-pay or are unable to repay any of the financing facilities our Company grants to them.

Our company has put in place an Asset Liability Management System and constituted an 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.

However, our inability to effectively manage our funding requirements and the financing we provide may also be aggravated if our borrowers pre-pay or are unable to repay any amount due under the financing facilities granted by our Company. Our asset-liability management framework categorizes all interest rate sensitive assets and liabilities into various time period categories according to contracted residual maturities or anticipated re-pricing dates, as maybe relevant in each case. The difference between the value of assets and liabilities maturing, or being re-priced, in any time period category provides a measure of our exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Any inability to obtain new borrowings, on favourable terms or otherwise, may negatively impact the profitability and growth of our business, which could have an adverse effect on our business, financial condition and results of operations.

To ensure that we always have sufficient funds to meet our commitments, our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested as per the policy in financial instruments which includes short-term deposits with banks and debt oriented liquid mutual funds, etc.

Despite the existence of such measures, our Company’s liquidity position could be adversely affected by the development of an asset-liability mismatch, which could have a material adverse effect on our Company’s business, prospects, results of operations and financial condition.

10. We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013.

All the directors of our Company are appointed by the President of India as per the Articles of our Company. As on the date of this Draft Shelf Prospectus, our Company's Board comprises of eight Directors which includes four whole time functional directors, one

Government Nominee Director and three independent directors. Since appointment of directors is undertaken by the GoI, and is beyond the control of our Company, we are not in compliance with certain corporate governance requirements envisaged under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, each as amended.

We have in the past received notices of penalty from NSE and BSE for non-compliance of the requirement of appointment of a woman director on the Board of the Company. Our Company has requested NSE and BSE for reconsideration and withdrawal of levy of fine. In this regard, the Stock Exchanges have levied the following fines:

Stock Exchange	Letter dated	Penalty amount (in ₹)
NSE	July 1, 2015	50,000
BSE	July 10, 2015	57,000
BSE	October 31, 2018	5,42,800
NSE	January 31, 2019	7,59,920
BSE	January 31, 2019	7,59,920
NSE	May 2, 2019	7,43,400
BSE	May 2, 2019	7,43,400

We filed our representations to both NSE and BSE, explaining the reasons for such non-compliance and have requested withdrawal of such fines on account of the fact that the GoI appoints directors of our Company, for which their reply is awaited. In addition, the Companies Act, 2013, also prescribes a penalty for non-appointment of women director, ranging from ₹ 50,000 to ₹ 5,00,000 respectively, which may be payable by our Company and every officer in default. This non- compliance with regard to appointment of requisite minimum number of independent directors and appointment of woman director is/was beyond the control of our Company, and our Company has/had requested the GoI from time to time to expedite the process of such appointment(s). Our Company cannot provide any assurance that this will be rectified until the GoI appoints such directors. Further, there can be no assurance that we may not be subjected to similar penalties in the future.

Further, RoC issued a show cause notice dated June 18, 2015 under Section 172 of the Companies Act, 2013 to PFCGEL (our erstwhile Subsidiary) and its directors who were also our Company's then functional directors, i.e. Mr. Mukesh Kumar Goel, CMD, Mr. Radhakrishnan Nagarajan, Director (Finance) and Mr. Anil Kumar Agarwal, Director (Projects), for not appointing a woman director on its board of directors, in terms of provisions of section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014. On July 1, 2015, PFCGEL and its directors filed a reply to RoC. While no further communication has been received from RoC, our Company cannot assure you that no further action will be taken, or the levy of fine or penalty will be imposed by RoC in this regard. For further details, please refer to section titled "*Outstanding Litigation*" on page 197.

11. There may be challenges as a result of, or difficulties in realising the benefits of our acquisition of REC, or any future merger of REC with our Company's business and/or successfully integrating REC's business with the Company's or (in the event of a merger) the merged business.

On March 28, 2019, our Company acquired a 52.63% equity stake in REC Limited from the GoI. In addition, while there is a possibility that REC may merge with our Company, there can be no assurance that such merger will take place in the near future or at all.

While the acquisition of REC Limited was intended to achieve integration across the power chain, obtain better synergies, create economies of scale and enhance capability to support energy access and energy efficiency in India, we will continue to face a range of operational, financial and other related risks inherent in such acquisitions (and any future merger). The integration process may be complex, costly and time-consuming. The potential difficulties of integrating the operations of our Company with that of REC and realising our Company's expectations for the acquisition (and any future merger of REC), including the benefits that may or may not be realised, include, among other things:

- failure to implement the business plan for the combined business;
- delays or difficulties in completing the integration of our business and/or its assets, leveraging synergies or rationalising operations with those of REC;
- higher than expected costs, lower than expected cost savings, exposure limit ceilings and/or a need to allocate resources to manage unexpected operating difficulties;
- unanticipated issues in integrating logistics, information, communications and/or other systems;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- failure to maintain the continuity and/or assimilation of operations or employees;
- retaining key customers, borrowers and/or employees;
- higher borrowing cost and exposure limit by investors;
- retaining and obtaining required regulatory approvals, licenses and permits;
- diversion of the attention and resources of management;
- assumption of liabilities not identified in due diligence, including any on-going litigation, claims or disputes; and
- other unanticipated issues, expenses and/or liabilities.

There can be no assurance that any of the foregoing factors relating to the acquisition (and any future merger of REC) or any potential difficulties as a result of the acquisition will not have a material adverse impact on our business, financial condition, results of operations, performance and prospects. For example, to ensure the smooth integration of our business and REC's business and to create synergies, a certain degree of optimisation and integration will be required including in respect of customer/borrower management, financial accounting and human resources management across both our business and REC's business. However, it is uncertain whether such integration can be successfully implemented, if at all. If the relevant risks of such integration are not properly managed or the expected benefits of the acquisition (and any future merger of REC) fail to materialise, this may result in, inter alia, a deterioration of asset quality, the loss of key employees or members of the senior management team, or the deterioration or loss of customer relationships and/or connections. Any of these factors could have a material and adverse effect on our business, financial condition, results of operations, performance and/or prospects.

12. Our Promoter has a majority control in the Company, which enables the Promoter to influence the outcome of matters submitted to shareholders for approval.

As on June 30, 2019, our Promoter held 59.05% stake in the equity share capital of our Company. As a result, the President of India, acting through the MoP, will continue to exercise significant control over our Company. The President also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. Our Promoter may take or block actions with respect to our Company's business, which may conflict with our Company's interests or the interests of our Company's minority shareholders. By exercising its control, the Promoter could delay, defer or cause a change of our Company's control or a change in our Company's capital structure, or a merger, consolidation, takeover or other business combination involving our Company, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, as long as the Promoter continues to exercise control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interest of our Company's other shareholders and may take positions with which our Company or our Company's other shareholders may not agree. In addition, the Promoter significantly influences our Company's operations both directly and indirectly through its various departments and policies in relation to the power industry generally. In particular, given the importance of the power industry to the economy, the Promoter could require our Company to take action designed to serve the public interest in India and not necessarily to maximise our Company's profits.

13. The Government may sell all or part of its shareholding in our Company that may result in a change in control of our Company.

Whilst the Government's shareholding in our Company equals or exceeds 51%, our Company will continue to be classified as a Government company and will be subject to various regulations, regulatory exemptions and benefits generally applicable to public sector companies in India. As of the date of this Draft Shelf Prospectus, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51% shareholding in our Company. Therefore, the Government may sell all or part of its shares in our Company, which may result in a change in control of our Company and which may, in turn, disqualify our Company from benefiting from certain regulatory exemptions and other benefits that may be applicable to our Company due to it being a public sector company. If a change of control were to occur, our Company cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding NCDs or repay such loan, which are required to be purchased / repaid as per their respective finance covenants, as the source of funds for any such purchase/repayment will be the available cash or third party financing which our Company may not be able to obtain at that time.

However, the GoI has advised that as per the extant disinvestment policy of the GoI that in all cases of disinvestment, the Government would retain at least 51% equity and the management control (GoI, MoP letter No. 7/10/2011/PFC Desk dated January 30, 2012).

14. Our Company is subject to credit, market and liquidity risks and, if any such risk were to materialise, our Company's credit ratings and its cost of funds may be adversely affected.

Our Company has put in place an asset liability management system and constituted an ALCO headed by Director (Finance), which 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. Our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested in financial instruments as per the policy which includes short-term deposits with banks and debt oriented liquid mutual funds etc.

We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. Our rupee lending interest rates is normally made with three year, five year or 10 year interest re-set clause.

The interest rate risk is managed by analysis of interest rate sensitivity gap statements, evaluation of earning at risk ("**EaR**") on change of interest and creation of assets and liabilities with the mix of fixed and floating interest rates. In addition, our standard loan sanction documents specifically give us the right to vary interest rate on the un-disbursed portion of any loan.

We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. We use a range of quantitative as well as qualitative parameters as a part of the appraisal process to make an assessment of the underlying credit risk in a project. We evaluate the credit quality of the borrowers by assigning risk weights on the basis of the various financial and non-financial parameters. We evaluate borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence.

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, we have in place prudential norms approved by our Board and MoP that provide guidance on aspects of our financial operations including asset classification, provisioning, income recognition, asset concentration and investment limits.

Although our Company follows various risk management policies and procedures, our Company may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risks. The Company's revenues and interest rate risk are dependent upon its ability to properly identify, and mark-to-market, changes in the value of financial instruments caused by changes in market prices or rates. Our Company's earnings are dependent upon its effectiveness in managing credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for loan losses. To the extent its assessments, assumptions or estimates prove inaccurate or are not predictive of actual results, our Company could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing our Company's liquidity risk because it affects the evaluation of our Company's credit ratings by rating agencies. Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) "CRISIL AAA/Stable" rating in relation to our long term borrowing programme, for a limit of

₹ 56,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 25,000 crore, (ii) ICRA has granted us (a) "[ICRA]AAA(Stable)" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "[ICRA]A1+" rating for our short term borrowing programme, for a limit of ₹ 25,000 crore, and (iii) CARE has granted us (a) "CARE AAA; Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 7,000 crore. International credit rating agencies Moody's, Fitch and Standard & Poor's (S&P) have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of "Baa3", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Stable" and (iii) Standard & Poor's (S&P) has granted long-term issuer credit rating "BBB-/ Stable". Since our sources enable us to raise funds at a competitive cost, we believe we are able to price our financial products competitively. However, rating agencies may reduce or indicate their intention to reduce the ratings at any time and there can be no assurance that our Company may not experience such downgrade in the future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our Company's ratings. Any reduction in the rating by the domestic rating agencies below the level of "A" (adequate safety) or equivalent or withdrawal of our Company's ratings by domestic rating agencies may make our Company ineligible to remain classified as an IFC, increase our Company's borrowing costs, limit our Company's access to capital markets and adversely affect our Company's ability to sell or market its products, engage in business transactions, particularly longer- term and derivatives transactions, or retain its customers. This, in turn, could reduce our Company's liquidity and negatively impact our Company's financial condition and results of operations.

15. Our Company may in the future conduct additional business through joint ventures and strategic partnerships, exposing our Company to certain regulatory and operating risks.

Our Company intends to continue to pursue suitable joint venture and strategic partnership opportunities in India, in particular with companies/firms whose resources, capabilities and strategies are likely to enhance and diversify our Company's business operations in the power sector. Our Company may not be able to identify suitable joint venture or strategic partners or our Company may not complete transactions on terms commercially acceptable to our Company, or may not complete transactions at all. Our Company may not be able to successfully form such alliances and ventures or realise the anticipated benefits of such alliance and joint ventures. Furthermore, such partnerships may be subject to regulatory approvals, which may not be received in a timely manner, or may not be received at all. In addition, our Company's expected strategic benefits or synergies of any future partnerships may not be realised. Furthermore, such investments in strategic partnerships may be long-term in nature and may not yield returns in the short to medium term. Such initiatives will place significant strains on our Company's management, financial and other resources and any unforeseen costs or losses could adversely affect its business, profitability and financial condition.

16. Some of our agreements with our lenders and our borrowers are not executed on stamp paper.

Some of our loan documents with our lenders and our borrowers are not executed on stamp paper. As per Section 35 of Indian Stamp Act, 1899, such agreement cannot be admitted as evidence or be acted upon by any person having by law or consent of parties, the authority to receive evidence. Upon payment of stamp duty, such agreement can be admitted as evidence on payment of duty with which it is chargeable together with penalty of upto 10 times of such duty. In case of any dispute, unless these agreements are adequately stamped, they are not admissible-in-evidence in the court of law. If any dispute occurs with these lenders or clients/ borrowers with whom we have entered into unstamped agreement, then such agreement will not be admissible-in-evidence (unless adequate stamp duty together with penalty if any is paid) and this may have a material adverse effect on our business, results of operations and financial position.

17. Our Directors may have interests in companies/ entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity referrals.

Some of our Directors have interests in other companies, which are in businesses similar to ours, which may result in potential conflicts of interest. Potential conflicts of interest may arise out of common business objectives shared by us and our Directors and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner or at all. For further details, please refer to the section "*Our Management*" beginning on page 132.

18. We have negative cash flows from operations in recent periods. There is no assurance that such negative cash flows from operations shall not recur in the future.

The following table sets forth information with respect to our historical cash flows (on standalone basis), including certain negative cash flows for Fiscals 2015, 2016, 2017, 2018 and 2019:

(₹ in crore)

Particulars	**As of March 31**				
	2015	**2016**	**2017**	**2018**	**2019**
Net cash from operating activities	(21,448.36)	(13,338.97)	1,920.23	(27,528.34)	(44,501.30)
Net cash from investing activities	(472.87)	(1,855.85)	(308.91)	1,138.18	(13,819.57)
Net cash from financing activities	26,881.98	10,203.44	1,475.36	23,813.13	58,091.65
Net increase/(decrease) in cash and cash equivalents	4,960.75	(4,991.38)	3,086.68	(2,577.03)	(229.23)

Our cash outflows relating to loans and advances disbursed by our Company (net of any repayments we receive) are reflected in our cash flow from operating activities whereas the cash inflows from external funding we procure (net of any repayments of such funding) to disburse these loans and advances are reflected in our cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received.

However, after taking into account all the cash flows, there is positive cash and cash equivalents balance at the end of Fiscals 2015, 2016, 2017, 2018 and 2019, as below.

Particulars	**Amount (₹ in crore)**
Fiscal 2015	5,019.44
Fiscal 2016	28.06
Fiscal 2017	3,114.74

Particulars	Amount (₹ in crore)
Fiscal 2018	537.71
Fiscal 2019	308.48

While presently our overall cash flows are positive, there is no assurance that negative cash flows from operations will not occur in the future.

19. Setting up and operating power projects in India requires a number of approvals and permits, and the failure to obtain or renew them in a timely manner may adversely affect the operations of our Company's borrowers and in turn adversely affect the quality of our Company's loans.

Setting up and operating power projects requires a number of approvals, licenses, registrations and permissions. Some of these approvals are subject to certain conditions, the non-fulfillment of which may result in revocation of such approvals. Moreover, some of the conditions may be onerous and may require our Company's customers to incur substantial expenditure, specifically with respect to compliance with environmental laws. Furthermore, certain of our Company's borrowers' contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to our Company's borrowers. Our Company's borrowers, their contractors or any other party may not be able to obtain or comply with all necessary licenses, permits and approvals required for the power projects in a timely manner to allow for the uninterrupted construction or operation of the power plants, or may not comply at all. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to our Company's borrowers may adversely affect its operations. This in turn could adversely affect the quality of our Company's loans, may put our Company's customers in financial difficulties (which could increase the level of non-performing assets in our Company's portfolio) and adversely affect our Company's business and financial condition.

20. Our Company's business and activities are regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to our Company may be unfavourable or have an adverse effect on our Company's business, financial condition and results of operations.

The Indian Parliament has enacted the Competition Act to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Furthermore, if it is proved that the contravention committed by a company took place with the consent or involvement or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of a contravention and liable to be punished.

If our Company is affected, directly or indirectly, by any provision of the Competition Act or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission of India ("**Competition Commission**"), and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our Company's business, financial condition and results of operations.

21. Changes in legislation, including tax legislation, or policies applicable to our Company could adversely affect our Company's results of operations.

Our business and operations are governed by various laws and regulations. Our business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our Company's business, operations and group structure may result in our Company being deemed to be in contravention of such laws. The Government or state governments could implement new regulations and policies, which could require us to obtain approvals and licences from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources. Any such changes and the related uncertainties with respect to the implementation of the new regulations as well as any failure to comply may have a material adverse effect on our business, prospects, financial condition and results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body of administrative or judicial precedent may be time consuming as well as costly for our Company to resolve and may impact the viability of its current business or restrict its ability to grow its business in the future.

Tax and other levies imposed by the central and state governments in India that affect our Company's tax liability include: central and state taxes and other levies, income tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Any tax amendments from time to time may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our Company's business and results of operations.

As the taxation system undergoes changes, the effect of such changes on the financial system may not be determined and there can be no assurance that such effects would not adversely affect our business, prospects, financial condition and results of operations. At present, our Company has the benefit of the deductions under Sections 36(1) (viia) (c) and 36(1) (viii) of the Income Tax Act. The Government of India is in the process of bringing Direct Tax Code which may review exemption / deductions available to companies. Non-availability of deduction under Sections 36(1) (viia) (c) and 36(1) (viii) of the Income Tax Act may increase our tax liability.

Additionally, we are subject to the SEBI Listing Regulations, which was notified by the Securities and Exchange Board of India on September 2, 2015. The SEBI Listing Regulations have brought into effect changes to the framework governing listed companies, including the introduction of certain additional requirements such as the disclosure of material events or information, and making prior notifications of certain proposals to raise funds. The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities are different, we may be subject to penalties and our business could be adversely affected. Furthermore, to ensure compliance with the requirements of the SEBI Listing Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

22. We have granted loans to private sector borrowers on a non-recourse or limited recourse basis, which increases the risk of non-recovery and may adversely affect our financial condition.

As of March 31, 2019, ₹ 53,611.93 crore or 17.04% of our total outstanding loans were to private sector borrowers. Under the terms of our loans to private sector borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. We intend to increase our exposure to private sector borrowers in the future. The ability of such borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers' control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

23. The escrow account mechanism and the trust and retention account arrangements implemented by us as a quasi-security mechanism in connection with the payment obligations of our borrowers may not be effective, which could adversely affect our financial condition and results of operations.

Our Company uses escrow accounts as a credit enhancement mechanism for certain of its public sector borrowers that do not meet certain of its credit risk criteria. As of March 31, 2019, 93.81% of our outstanding loans to state and Central sector borrowers involved escrow account mechanism. Similarly, in the case of private sector borrowers, security is typically obtained through a first priority *pari passu* charge on the relevant project assets, and through a trust and retention account mechanism.

The escrow account mechanism and the trust and retention account arrangements are effective in the event that revenue from the end users or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Although we monitor the flow into the escrow accounts and trust and retention accounts, we do not have any arrangement in place to ensure that such revenue is actually received or deposited in such accounts and the effectiveness of the escrow account mechanism and the trust and retention account arrangements is limited to that extent. In the event that end users do not make payments to our borrowers, the escrow account mechanism and the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our financial condition and results of operations. In addition, as we diversify our loan portfolio and enter into new business opportunities, we may not be able to implement such or similar quasi-security mechanisms or arrangements and there can be no assurance that even if such mechanisms and arrangements are implemented, they will be effective.

24. Accounts for the quarter ending June 30, 2019 for our Company have been subject to limited review by statutory auditors, and have not been audited. Audited performance may be materially different from the present results.

The latest audited financial statement included in this Draft Shelf Prospectus are more than five months old. In respect of remaining stub period, we have included limited review financial statements till June 30, 2019, which are compliant with the SEBI Listing Regulations. Limited review financials included in this Draft Shelf Prospectus have not been subject to audit. The actual audited performance may be materially different from the limited review results. Therefore, the financials included in this Draft Shelf Prospectus may not present the accurate picture of the present financial status of the Company.

25. We are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

Our Company is a party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities, and if determined against our Company, could have an adverse impact on the business, financial condition and results of operations of our Company. No assurances can be given as to whether these legal proceedings will be decided in our favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims.

26. Our borrowers' insurance of assets may not be adequate to protect them against all potential losses to which they may be subject, which could affect our ability to recover the loan amounts due to us.

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of hypothecation or mortgage or both. In addition, terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires, earthquakes or theft on their charged assets as collateral against the loan granted by us. However, in most cases our borrowers do not have the required insurance coverage, or they have not renewed the insurance policies or the amount of insurance coverage may be less than the replacement costs of all covered property and is therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favour are damaged, it may affect our ability to recover the loan amounts due to us.

27. Volatility in interest rates affects our Company's lending operations and may result in a decline in our Company's net interest income and net interest margin and adversely affect our Company's return on assets and profitability.

The Company's business is primarily dependent on interest income from its lending operations, which contributed approximately 97.23%, 96.57% and 98.58% of its total income in Fiscal 2017, Fiscal 2018 and Fiscal 2019, respectively. In addition, as of March 31, 2019, 78.96% of our Company's borrowing were at fixed rates while the remaining were at floating rates (i.e., linked to the base rate and other market benchmarks), compared to 86.49% of our Company's loan assets which carry interest rates with three year reset clause. The primary interest rate-related risks our Company faces are from timing differences in the pricing of our Company's assets and liabilities, for example, in an increasing interest rate environment, our Company's liabilities are priced prior to its assets being priced, our Company may incur additional liabilities at a higher interest rate and incur a repricing risk, or in the event that there is an adverse mismatch between the repricing terms of our Company's loan assets and its loan liabilities. Interest rates are highly sensitive to many factors beyond our Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. When interest rates decline, our Company is subject to greater re-pricing and pre-payment risks as borrowers may take advantage of the attractive interest rate environment. If our Company re-prices loans, our Company's results may be adversely affected in the period in which the re-pricing occurs. If borrowers prepay loans, the return on our Company's capital may be impaired as any prepayment premium our Company receives may not fully compensate our Company for the redeployment of such funds elsewhere. In addition, while our Company sets the interest rate under its loans and also typically has the option to reset the rate to our Company's prevailing lending rates in accordance with the terms of the relevant loans, typically every three years or five years or ten years, this flexibility is also subject to the borrower's ability to prepay the loan and refinance with another lender. When interest rates rise, it results in an increase of interest rates for our Company's borrowing and given that a majority of our Company's loans are subject to three year re-set clauses, our Company may not be able to re-price the loans or increase the interest rates with respect to such loans during such period, which could have a material adverse effect on our Company's results of operations and financial condition. In addition, as a non-deposit taking NBFC, our Company may be more susceptible to such increases in interest rates than some of our Company's competitors such as commercial banks or deposit taking NBFCs that have access to lower cost funds. The Company's results of operations are therefore dependent on various factors that are indirectly affected by the prevailing interest rate and lending environment, including disbursement and repayment schedules for our Company's loans, the terms of such loans including interest rate reset terms as well as the currency of such loans and any exchange gains or losses relating thereto. In addition, the value of any interest rate hedging instruments our Company may enter into in the future may be affected by changes in interest rates. There can be no assurance that our Company will be able to adequately manage its interest rate risk and be able to effectively balance the proportion and maturity of its interest earning assets and interest bearing liabilities in the future. Although, our net interest margin has been at 4.28% in Fiscal 2017, 3.76% in Fiscal 2018 and 3.37% in Fiscal 2019, however, a decline in our net interest margin in the future can have a material adverse effect on our business, financial condition and results of operations.

28. As an NBFC and an IFC, we are required to adhere to certain individual and borrower group exposure limits prescribed by the RBI. Any change in the regulatory regime may adversely affect our business, financial condition and results of operations.

We are a systemically important non-deposit taking NBFC and are subject to various regulations by the RBI as an NBFC. With effect from July 28, 2010, our Company has been classified as an IFC by the RBI. This classification is subject to certain conditions including (i) a minimum of 75% of the total assets of such IFC should be deployed in infrastructure loans (as defined under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016), (ii) net owned funds of ₹ 300 crore or more, (iii) a minimum credit rating of "A" or an equivalent credit rating of CRISIL, ICRA, CARE, Fitch, Brickwork Rating India Private Limited or equivalent rating by any other credit rating agency accredited by RBI, and (iv) CRAR of 15% with a minimum tier I capital of 10%. Tier I capital for such purposes means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate tier I capital of such company as of March 31 of the previous accounting year.

The maximum exposure ceilings as prescribed in respect of systemically important non-deposit taking NBFCs that are also IFCs under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are set out below:

Particulars	(as a % of owned fund)
Lending ceilings	
Lending to any single borrower	15%
Lending to any single group of borrowers	25%
Investing ceilings	
Investing in shares of a company	15%
Investing in shares of a single group of companies	25%
Loans and investment taken together	
Lending and investing to single party	25%
Lending and investing to single group of parties	40%

In addition to above:

- an NBFC may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

- IFCs may exceed the concentration of credit norms in:

    - lending to any single borrower, by 10% of its owned fund; and any single group of borrowers, by 15% of its owned fund;

    - in lending to and investing in (loans/investments taken together), a single party, by 5% of its owned fund; and a single group of parties, by 10% of its owned fund.

As of March 31, 2019, the CRAR of our Company was 17.09%. The exposure limits as prescribed by RBI are being followed by our Company in case of private sector borrowers. Any inability to continue being classified as an IFC may impact our growth plans by affecting our competitiveness. As an IFC, we will have to constantly monitor our compliance with the necessary conditions, which may hinder our future plans to diversify into new business lines. In the event we are unable to comply with the eligibility condition(s), we may be subject to regulatory actions by the RBI and/ or cancellation of our registration as an IFC. Any levy or fines or penalties or the cancellation of our registration as IFC may adversely affect our business prospects, results of operations and financial condition.

In addition, our ability to borrow from various banks may be restricted under guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. According to the RBI, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC should not exceed 10% of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC up to 15% of their capital funds provided the exposure in excess of 10% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, exposure of a bank to IFCs should not exceed 15% of its capital funds as per its last audited balance sheet, with a provision to increase it to 20% if the same is on account of funds on-lent by the

IFCs to the infrastructure sector. Banks may also consider fixing internal limits for their aggregate exposure to the power sector put together. Although we do not believe such exposure limits have had any adverse effects on our own liquidity, however, any change in regulatory regime may result in a situation where individual lenders from whom we currently borrow may not be able to continue to provide us funds.

As we grow our business and increase our borrowing, we may face similar limitations with other lenders, which could impair our growth and interest margins and could therefore have a material adverse effect on our business, financial condition, results of operations.

29. We have been granted exemption in case of Central/ State sector entities from applying exposure limits prescribed by the RBI until March 31, 2022. We cannot assure that such exemption will continue to be granted by RBI, in which event it may adversely affect our business.

RBI has exempted our Company from applying RBI exposure norms in Central / State sector entities till March 31, 2022. Currently, we follow exposure norms approved by our Board and MoP in respect to loans made to Central and State entities in the Indian power sector. However, if the said exemption in relation to exposure norms is not extended, our business prospects, financial conditions and results of operations may be adversely affected.

30. If our contingent liabilities and commitments materialize, they could adversely affect our business, financial condition and results of operations.

As of March 31, 2019, we had contingent liabilities and commitments amounting to ₹ 2,033.53 crore, including non-funded contingent exposure of ₹ 117.39 crore in the form of guarantees, ₹ 1,019.06 crore in the form of letters of comfort issued to borrowers' banks in connection with letters of credit, and other contingent liabilities and commitments of ₹ 897.08 crore. If any or all of these contingent liabilities materialize, our financial condition could be adversely affected.

31. If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.

In the past, our gross NPAs have been as indicated below:

Particulars as of	Amount of gross NPA (₹ in crore)	NPA as a % of total loan assets
March 31, 2015	2,363.63	1.09
March 31, 2016	7,519.04	3.15
March 31, 2017	30,702.21	12.50
March 31, 2018	26,702.67	9.57
March 31, 2019	29,540.31	9.39

We have made provisioning for the NPAs in terms of prudential norms approved by our Board and the MoP. In addition, we may, from time to time, amend our policies and procedures regarding asset classification of our loans, which may increase our level of NPAs. For example, in November 2014, RBI issued guidelines on "Revised regulatory framework for NBFCs", under which NBFCs have been required to bring down the NPA classification norms from 180 to 90 days over a period of three years starting from FY 2015-16 to 2017-18, which was, by way of an RBI letter dated June 30, 2015, made applicable with retrospective effect to existing loans given by our Company. Further, in terms of the Stressed Asset Framework, failure to resolve stressed assets in a timely manner may lead to higher provisioning being made for such stressed assets. This in turn may adversely affect our NPAs. There can be no assurances that the classification norms for our loans would not be subject to further change in the future. Any further changes in classification or provisioning norms may require additional provisions to be made in our accounts and additional actions to be taken by us, which we may not be able to in a timely manner or at all. Failure to comply with such norms may subject us to penalties. Additionally, if we are not able to prevent increases in our level of NPAs, our business and our future financial condition could be adversely affected.

32. We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licences, which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We usually require certain regulatory approvals, sanctions, licences, registrations and permissions for operating our businesses. We may not receive or be able to renew such approvals in the time frames anticipated by us or at all, which could adversely affect our business. If we do not receive, renew or maintain such regulatory approvals required to operate our business, the same may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. Additionally, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

We are subject to periodic inspection by the RBI under Section 45N of the RBI Act, pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. RBI, in its last inspection report for the period 2017-18, has indicated certain deficiencies with respect to, *inter alia*, asset quality, liquidity ratio, management and other supervisory concerns, etc. We have responded to all the observations of RBI and as on date, no penalties have been levied by RBI. We cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

33. The power sector in India is regulated by GoI, and our business and operations are directly or indirectly dependent on GoI policies and support, which make us susceptible to any adverse developments in such GoI policies and support.

We are a Government company operating in a regulated industry, and the GoI (being a principal shareholder holding 59.05% as on June 30, 2019, of our paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to our operations, including with respect to the appointment and removal of members of our Board, and can determine various corporate actions that require the approval of our Board or majority shareholders, including proposed budgets, transactions with other Government companies or GoI entities and agencies, and the assertion of any claim against such entities. The GoI has also issued directions in connection with the payment of dividends by Government companies.

The power sector in India and our business and operations are regulated by, and are directly or indirectly dependent on, the GoI policies and support for the power sector. The GoI has implemented various financing schemes and incentives for the development of power sector projects, and we, like other Government companies, are responsible for the implementation of, and providing support to, such GoI schemes and initiatives. We may therefore be required to follow public policy directives of the GoI by providing financing for specific projects or sub-sectors in the public interest which may not be consistent with our commercial interests. In addition, we may be required to provide financial or other assistance and services to public sector borrowers and GoI and other Government agencies in connection with the implementation of such GoI initiatives, resulting in diversion of management focus and resources from our core business interests. Any developments in GoI policies or in the level of direct or indirect support provided to us or our borrowers by the GoI in these or other areas could adversely affect our business, financial condition and results of operations.

34. Volatility in foreign exchange and un-hedged foreign currency could adversely affect our Company's financial conditions and results of operations.

As of March 31, 2019, we had foreign currency borrowing outstanding of USD 361.20 crore, JPY 6,007.88 crore and EUR 1.27 crore, the total of which was equivalent to ₹ 28,826.87 crore or 10.46% of our total borrowing. We may continue to be involved in foreign currency borrowing and lending in the future, which will further expose us to fluctuations in foreign currency rates. Our Company has put in place a currency risk management ("**CRM**") policy, to manage risks associated with foreign currency borrowing. However, there is no assurance that it will remain effective over a period of time. Our Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap, interest rate swap and forward rate agreements. As of March 31, 2019, we had entered into hedging transaction to cover 85% of our foreign currency principal exposure having residual maturity period of up to eight years. Volatility in foreign exchange rates could adversely affect our business and financial performance. We are also affected by adverse movements in foreign exchange rates to the extent they impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

In addition, although our Company engages in hedging transactions to manage interest rate and foreign exchange currency rate risks, our Company's hedging strategy may not be successful in minimising its exposure to these fluctuations. Our Company faces the risk that the counterparties to its hedging activities may fail to honour their contractual obligations to our Company. This may result in our Company not being able to net off its positions and hence reduce the effectiveness of our Company's hedges. Non- performance of contracts by counterparties may lead to our Company in turn not being able to honour its contractual obligations to third parties. This may subject our Company to, among others, legal claims and penalties.

35. Certain financing arrangements provided by us to state utilities of the erstwhile unified state of Andhra Pradesh continue to be secured by assets which are required to be bifurcated between the states of Andhra Pradesh and Telangana, which is pending finalisation. Difficulties associated with the transfer of assets may lead to imperfection of the security for loans granted by us, which may affect our ability to recover such loans and in affect our financial condition.

Pursuant to the notification regarding bifurcation of State of Andhra Pradesh and Telengana, the final transfer scheme is yet to be notified, 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 and principal is being segregated inter-se by the utilities of the two states on an ad hoc basis and the respective portions are being paid by utilities in the states of Telangana and Andhra Pradesh. The loans given by us to the state utilities of the erstwhile unified state of Andhra Pradesh, prior to the bifurcation, continue to remain secured by the assets created out of the said loans and the said loans continue to remain secured until the bifurcated states perform the actions required to be done as per the bifurcation scheme. Any difficulties in the transfer of assets between the states of Andhra Pradesh and Telangana, may lead to imperfection of the security for loans granted by us and may also inflict difficulties in us enforcing such security at subsequent stages, if required. Any such failure to perfect security creation, may affect our ability to recovery amounts lent under such facilities and such failure to recover amounts may adversely affect our financial condition.

36. If we are unable to manage our growth effectively, our business and financial results could be adversely affected.

Our total loan assets increased from ₹ 2,17,042.22 crore as of March 31, 2015 to ₹ 3,14,666.93 crore as of March 31, 2019. We intend to continue to grow our business, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

We intend to fund our asset growth primarily by the issuance of new debt. We may have difficulty in obtaining funding on attractive terms. Adverse developments in the Indian credit markets, such as increase in interest rates, may significantly increase our debt service costs and the overall cost of our funds.

Any inability to manage our growth effectively on favourable terms could have a material adverse effect on our business and financial performance. Because of our growth and the long gestation period for power sector investments, our historical financial statements may not be an accurate indicator of our future financial performance.

As part of its growth strategy, our Company has expanded its focus areas to include renewable energy projects, and projects that represent forward and backward linkages to core power sector projects, including capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development, as well as power trading initiatives. In addition, our Company intends to expand its business and service offerings in consultancy and other fee-based services, debt syndication and equity investments. Our Company also intends to continue to develop strategic partnerships and alliances, and evaluate new business opportunities related to the power sector in India. Pursuing any strategic business opportunities may require capital resources and additional regulatory approvals. Our Company has limited knowledge and experience with respect to financing and other opportunities in these business expansion areas, and competition, applicable regulatory regimes and business practices applicable to these areas and opportunities may differ significantly from those faced by our Company in its current operations. In addition, if our Company decides to expand inorganically in these strategic areas, it may not be able to achieve expected synergies from, or achieve the strategic purpose of, any such acquisition, or achieve operational integration or the expected return on its investment. There can be no assurance that our Company will be able to implement, manage or execute its growth strategy efficiently or in a timely manner or at all, which could adversely affect its business, prospects, financial condition and results of operations. Our Company's Board has approved a plan to set up a private equity fund to invest in power projects and forward and backward linkages to the core power sector projects. Our Company has limited experience in private equity, and competition and applicable regulatory regimes and business practices applicable to this area may differ significantly from those faced by our Company in its current operations. This venture may not be successful, which could adversely affect our Company's business, prospects, financial condition and results of operations.

37. We might not be able to develop or recover costs incurred on our Ultra Mega Power Projects, and our failure to do so may have an adverse effect on our profitability.

We have been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. As of July 31, 2019, we have incorporated 19 wholly-owned SPVs as subsidiaries or deemed subsidiaries for these projects, out of which four SPVs were transferred to the successful bidders. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals, including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. Our Company has and is likely to continue to incur expenses in connection with these SPVs. There may be delays in the development of such UMPPs or we may be unable to transfer these UMPPs due to various factors, including environmental issues, resistance by local residents, changes in related laws or regulatory frameworks, or our inability to find a developer for such projects. In addition, we may not be able to fully recover our expenses from the successful bidder, which may result in financial loss to us, which could adversely affect our financial condition and results of operations.

38. Our agreements regarding certain of our joint venture arrangements or investments in other companies contain restrictive covenants, which limit our ability to transfer our shareholding in such ventures.

Our Company has entered into certain joint venture arrangements, and share subscription and shareholders agreements, in respect of certain entities promoted by us or in which we have invested. As we hold minority interests in each of these joint venture companies, our joint venture partners will have control over such joint venture companies (except to the extent agreed under the respective joint venture agreements). These joint ventures are dependent on cooperation of our joint partners and subject to risk of non-performance by our joint venture partners of their obligations, including their financial obligations, in respect of the joint venture. Any disputes that may also arise between our joint venture partners and us may cause delays in completion or the suspension or abandonment of the venture. Further, though our joint ventures confer rights on us, our joint venture partners have certain decision-making rights that may limit our flexibility to make decisions relating to such business, and may cause delays or losses. Under the terms of the relevant agreements our Company is not permitted to transfer its shareholding in the joint ventures to a third party for a specified lock-in period, and such agreements also contain "Right of First Refusal" provisions, by virtue of which our Company is required, post-expiry of the relevant lock-in periods, to offer its shareholding in such joint ventures to the other parties to these agreements in proportion to their shareholding in the joint ventures, prior to offering its shareholding for sale to third parties. Such covenants limit our ability to make optimum use of our investments or exit these joint ventures and thereby liquidating our investments at our discretion, which may have an adverse impact on our financial condition.

For details of our Joint Ventures, please refer to section titled "*History and Certain Corporate Matters*" on page 123.

39. We benefit from certain tax benefits available to us as a lending institution. If these tax benefits are no longer available to us it would adversely affect our business, financial condition and results of operations.

We have received and currently receive tax benefits by virtue of our status as a lending institution, including our lending within the infrastructure sector, which have enabled us to reduce our effective tax rate. In Financial Years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19, our effective tax liability, calculated on the basis of our tax liability (excluding deferred taxes) as a percentage of taxable profit before deductions mentioned supra, was 26.07%, 26.65%, 27.56%, 27.06% and 27.14%, respectively, compared to statutory corporate tax rates (including surcharge and cess) of 33.99%, 34.61%, 34.61%, 34.61% and 34.94%, respectively in such periods. The availability of such tax benefits is subject to the policies of the GoI, and there can be no assurance as to any or all of these tax benefits that we will receive or continue to receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase/ decrease, which may have an impact on our financial condition and results of operations.

40. We may make equity investments in the power sector in the future, and such investments may erode/ depreciate.

We may make equity investments in the power sector either directly or indirectly. As of March 31, 2019, our investments in equity and equity linked instruments were valued at ₹ 15,770.18 crore. For example, on March 28, 2019, we acquired a 52.63% equity stake in REC Limited from the GoI. The value of these investments depends on the success and continued viability of these businesses. In addition to the project-specific risks described in the above risk factors, we have limited control over the operations or management of these businesses. Therefore, our ability to realize expected gains as a result of our equity interest in a business is highly dependent on factors outside our control. Write-offs or write-downs in respect of our equity investments may adversely affect our financial performance.

Our Company may also be unable to realise any value if the company in which our Company invests does not have a liquidity event, such as a sale of the business, recapitalisation or public offering, which would allow our Company to sell the underlying equity interest. In addition, the ability of these investee companies to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. Furthermore, equity investments in power sector projects may be less liquid and involve a longer holding period than traditional private equity investments. Such investments may not have any readily ascertainable market value, and the value of investments reflected in our Company's financial statements may be higher than the values obtained by our Company upon the sale of such investments.

41. Any default in repayment of our borrowing would trigger payment to some or all of the other borrowing obtained by our Company, which would have a material adverse effect on the liquidity position, cash flows, business and results of operation of our Company

Our Company has given cross default covenants in few of its borrowings which means that if our Company defaults in any of its obligations under a loan, the loan which has the cross default clause will also become payable even if there is no breach of covenant or default of payment on such loan. Any default on some of our Company's loans may also trigger cross-defaults under some of our Company's other loans, which would have a material adverse effect on our Company's liquidity, cash flows, business and results of operations.

42. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

Our future performance depends on the continued service of our management team and skilled personnel. We also face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in our industry, and it may be difficult to attract and retain the personnel we need in the future. While, we have employee friendly policies, including an incentive scheme to encourage employee retention, the loss of key personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

43. We have entered and may enter into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest.

We have entered and may enter into transactions with related parties, including our Directors. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest. For details of related party transactions in the last five financial years, please refer to section titled "*Annexure C – Financial Statement*" on page 275.

Our subsidiary, PFCCL, is engaged in the consultancy services business, and our own constitutional documents permit us to engage in similar business, and there is no relationship agreement or similar arrangement currently in place between PFCCL and us, which may result in potential conflicts of interest.

44. Our insurance may not be adequate to protect us against all potential losses to which we may be subject.

We maintain insurance for our physical assets such as our office and residential properties against standard fire and special perils (including earthquake). In addition, we maintain a group personal accident insurance as well as Directors' and officers' insurance policy. However, the amount of our insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider acceptable. The occurrence of an event for which we are not adequately or sufficiently insured, or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co- insurance requirements), could have a material and adverse effect on our business, financial condition, results of operations, and cash flows.

45. We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs. There may be future changes in the regulatory system or in the enforcement of the laws and regulations, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the RoC and other relevant authorities pursuant to the provisions of RBI regulations, Companies Act, 2013 and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

46. We are subject to stringent labour laws, thus making it difficult for us to maintain flexible human resource policies, which could have an adverse effect on our business, financial condition and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution, and imposes financial obligations on employers. This makes it difficult for our Company to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect our Company's business and profitability. Our Company has a registered trade union under the Trade Unions Act, 1926. Although our Company considers its relations with its employees to be stable, 4.82% of our employees are unionised and although our Company has not lost any time on account of strikes or labour unrest to date, our Company's failure to effectively negotiate with union or other legitimate union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on our Company's business, financial condition and results of operations.

47. Some of the properties taken on lease by us may have certain irregularities in title, as a result of which our operations may be impaired.

Our Company has taken property on lease for its regional office and it is possible that the lease for such property may not be renewed on favourable terms. The property may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title in relation to some of our Company's owned/leased properties. For example, some of the agreements for such arrangements may not have been duly executed and/or adequately stamped or registered in the land records of the local authorities or the lease deeds may have expired and not yet been renewed. Since registration of land title in India is not centralised and has not been fully computerised, the title to land may be defective as a result of a failure on the part of our Company, or on the part of a prior transferee, to obtain the consent of all such persons or duly complete stamping and registration requirements. The uncertainty of title to land may impede the processes of acquisition, independent verification and transfer of title, and any disputes in respect of land title to which our Company may become party may take several years and considerable expense to resolve if they become the subject of court proceedings. Any such dispute, proceedings or irregularities may have an impact on the operation of our Company's business.

48. We have not entered into any definitive arrangements to utilise the net proceeds of the Issue towards the objects of this Issue.

We intend to utilize the net proceeds raised through this Issue towards our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements after meeting the Issue expenses. Our Company has not entered into any definitive agreements for utilization of the net proceeds towards the objects of this Issue.

49. We may become liable for the acts or omissions of external consultants engaged by our Company or our Subsidiaries.

Certain of our Subsidiaries provide consultancy services and undertakes execution of consultancy assignments in the power sector for its clients. For these purposes, our Subsidiaries also engages external consultants. Our Company also engages external consultants in the course of its business to assist in the conduct of the bidding process, among others. In the event that any acts or omissions of these external consultants may result in professional negligence or breach of contract, our Company may become liable to its clients or third parties for the acts or omissions of such external consultants, which could have an adverse effect on our Company's business, financial condition and results of operations.

50. There is a significant risk due to changes in environment norms being followed for the thermal power projects. With our Company's main focus financing of thermal projects, it may pose problems in future.

With the adoption of norms provided for the climate conservation in line with the global parameters there may be risk for the environmental norms being followed for the thermal power projects which is our Company's major focus in financing of power generation projects. This may pose a problem in the future sanctions/ disbursements and also the timely implementation of these power projects. Consequently any delay in implementation of these projects will have adverse impact on the financials of our Company.

51. Security of our Company's IT systems may fail and adversely affect our Company's business, operations, financial condition and reputation.

Our Company is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems, and the data such systems contain or transmit. An external information security breach, such as a hacker attack, fraud, a virus or worm, or an internal problem with information protection, such as a failure to control access to sensitive systems, could materially interrupt our Company's business operations or cause disclosure or modification of sensitive or confidential information. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although our Company maintains procedures and policies to protect its IT systems, such as a data back-up system, disaster recovery and a business continuity system, any failure of our Company's IT systems as mentioned above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to our Company's reputation. Furthermore, any delay in implementation or disruption of the functioning of our Company's IT systems could disrupt its ability to track, record, process financial information or manage creditors/debtors or engage in normal business activities.

B. RISKS RELATING TO THE INDIAN ECONOMY

52. A slowdown in economic growth in India could adversely impact our business.

Any slowdown in the Indian economy or in the growth of the industry to which we provide financing or future volatility in global commodity prices could adversely affect our borrowers and the growth of our business, which in turn could adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The International Monetary Fund has provided a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on our business, financial condition and results of operations.

53. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our Company's business.

Our Company is rated by international rating agencies namely, Standard & Poor's, Fitch and Moody's for its foreign currency borrowing (i) Moody's has granted us an Issuer rating of "Baa3", (ii) Fitch has granted us long-term issuer default ratings of "BBB-/Stable" and (iii) Standard & Poor's has granted us long-term issuer credit rating "BBB-/Stable".

There can be no assurance that these ratings will not be further revised, suspended or withdrawn by Moody's, Standard & Poor's or Fitch or that international rating agencies will also not downgrade India's credit ratings.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing in the international markets, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our Company's business and future financial performance, our Company's ability to obtain financing for providing finance to the power sector.

54. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our Company's financial condition.

A decline in India's foreign exchange reserves could impact the value of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our Company's future financial condition. Alternatively, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our Company's business, prospects, financial condition and results of operations.

55. Private participation in the power sector in India is dependent on the continued growth of the Indian economy and regulatory developments in India. Any adverse change in policy/ implementation/ industry demand may adversely affect us.

Although the power sector is rapidly growing in India, we believe that further development of this sector is dependent upon the formulation and effective implementation of regulations and policies that facilitate and encourage private sector investment in power projects. Many of these regulations and policies are evolving and their success will depend on whether they are designed to adequately address the issues faced and are effectively implemented. In addition, these regulations and policies will need continued support from stable and experienced regulatory regimes that not only stimulate and encourage the continued investment of private capital into power projects, but also lead to increased competition, appropriate allocation of risk, transparency, and effective dispute resolution. The availability of private capital and the continued growth of the private power sector in India are also linked to continued growth of the Indian economy. Many specific factors in the power sector may also influence the success of power projects, including changes in policies, regulatory frameworks and market structures. Any adverse change in the policies relating to the power sector may leave us with unutilized capital and interest and debt obligations to fulfil. If the Central and state Governments' initiatives and regulations in the power sector do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India, our business prospects, financial condition and results of operations could be adversely affected. In addition, it is generally believed that demand for power in India will increase in connection with expected increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent we expect or at all. In the event demand for power in India does not increase as anticipated, the extent to which we are able to grow our business by financing the growth of the power sector would be limited and this could have a material adverse effect on our business, financial condition and results of operations.

56. Significant shortages in the supply of crude oil, natural gas or coal could adversely affect the Indian economy and the power sector projects to which we have exposure, which could adversely affect our Company.

India imports majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, such as the level of global production, and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Future increases in oil prices could affect the Indian economy, including the power sector, and the Indian banking and financial system. High oil prices could also add to inflationary pressures in the Indian economy. Additionally, increases in oil prices may have a negative impact on the power sector and related industries. This could adversely affect our business, including our ability to grow, the quality of our asset portfolio, our financial performance and our ability to implement our strategy.

In addition, natural gas is an important input for power projects. India has experienced interruptions in the availability of natural gas, which has caused difficulties in these projects in the past. India's natural gas demand has been mainly affected by (i) lower availability; (ii) price affordability; (iii) inadequate transmission and distribution infrastructure; and (iv) limited gas import facilities. Continued difficulties in obtaining a reliable and consistent supply of natural gas could adversely affect some of the projects we finance and could impact the quality of our asset portfolio and our financial performance.

Furthermore, the Indian power sector has been suffering generation loss due to a shortage of coal (domestic and imported). Continued shortages of fuel could adversely affect some of the projects we finance and could impact the quality of our asset portfolio, which in turn could have a material adverse effect on our business, financial condition and results of operations.

57. Economic developments and volatility in securities markets in other countries may negatively affect the Indian economy.

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The collapse of the sub-prime mortgage loan market in the United States that began in September 2008 led to increased liquidity and credit concerns and volatility in the global credit and financial markets in following Fiscal years. The European sovereign debt crisis has led to renewed concerns for global financial stability and increased volatility in debt and equity markets. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi (Chinese Yuan) devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In the event that the current difficult conditions in the global financial markets continue or if there are any significant financial disruptions, this could have an adverse effect on our Company's cost of funding, loan portfolio, business, future financial performance and the trading price of any NCDs issued pursuant to the Issue. Negative economic developments, such as rising Fiscal or trade deficits, or a default on national debt in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

58. Political instability or changes in GoI could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Our Company is incorporated in India, derives its revenues from operations in India and all its assets are located in India. Consequently, our Company's performance may be affected by interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our Company's business, may be affected by changes in the GoI's policies, including taxation. Current macro-economic situations and global conditions might lead to a gradual departure from an accommodative fiscal and monetary policy, which would affect exchange rates and interest rates. Such events could also affect India's debt rating, our Company's business, its future financial performance and the trading price of the NCDs.

59. Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer.

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years, and some co- operative banks have also faced serious financial and liquidity difficulties in the past. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business and financial performance.

60. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which our securities trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and eventually adversely affect our business. Any deterioration in relations between India and its neighbouring countries may result in actual or perceived regional instability. Events of this nature in the future could have a material adverse effect on our ability to develop our operations. As a result, our business, prospects, results of operations and financial condition could be materially adversely affected by any such events.

61. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past few years. Prolonged power outages, spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, affecting our business and potentially causing the trading price of the NCDs to decrease. The extent and severity of these natural disasters determine their impact on the Indian economy. Such unforeseen circumstances of sub-normal rainfall and other natural calamities could have a negative impact on the Indian economy, especially on the rural areas, which could adversely affect our business, financial condition and results of operations.

62. There may be other changes to the regulatory framework that could adversely affect us.

We are under the administrative control of the MoP and a number of our activities are subject to supervision and regulation by statutory authorities including the RBI, the SEBI and IRDAI. We are also subject to policies/procedures of GoI departments such as the MoF, MCA and DPE. In addition, our borrowers in the power sector are subject to supervision and regulation by the CEA, CERC and SERCs. Furthermore, we are subject to changes in Indian law as well as to changes in regulation and Government policies and accounting principles. We also receive certain benefits and takes advantage of certain exemptions available to us as a public financial institution under Section 2(72) of the Companies Act, 2013 and as a systemically important non-deposit taking NBFC that are also IFCs under the RBI Act. In addition, the statutory and regulatory framework for the Indian power sector has undergone a number of changes in recent years and the impact of these changes is yet to be seen. The Electricity Act puts in place a framework for major reforms in the sector. Furthermore, there could be additional changes in the manner of determination of tariff and other policies and licensing requirements for, and tax incentives applicable to, companies in the power sector. Presently, we are not aware of the nature or extent of any future review and amendment of the Electricity Act and rules and policies issued thereunder, and it is possible that any amendments may have an adverse impact on our business, financial condition and results of operations. Applicable laws and regulations governing our borrowers and us could change in the future and any such changes could adversely affect our business, financial condition and results of operations.

63. Direct capital market access by our borrowers could adversely affect us.

The Indian capital markets are developing and maturing and, as such, there may be a shift in the pattern of power sector financing. Financially stronger SPUs might source their fund requirement directly from the market. We have large exposure to SPUs and such changes may have an adverse impact on our business, financial condition and results of operations.

64. Recent global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, financial condition and results of operations.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States, Europe and other international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs.

These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which may continue to have a material adverse effect on our business and our financial performance.

C. RISKS RELATING TO THE NCDS

65. There has been no active market for the NCDs and it may not develop in the future, and the price of the NCDs may be volatile.

The NCDs have no established trading market. There can be no assurance that an active market for the NCDs will develop or be sustained. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

66. There is no guarantee that the NCDs issued pursuant to this Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and an official quotation of the NCDs is not granted by the Stock Exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on the Stock Exchange in a timely manner, or at all.

67. You may not be able to recover, on a timely basis or recover at all, the full value of the outstanding amounts and/ or the interest accrued thereon, in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter alia* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% (One Hundred per cent.) asset cover for the NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. Further, as the NCDs will be secured by way of first *pari passu* charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), any shortfall in our receivables, owing to any factor, including factors beyond our control, could lead to insufficiency of security, at the time of enforcement, which in turn may adversely affect the ability of the NCD holders to receive the amounts secured by the NCDs. Any such shortfall in receivables or failure or delay to recover receivables charged as security in connection with the NCDs could expose the NCD Holder(s) to a potential loss.

68. Any downgrading in our credit rating or the credit rating of the NCDs may affect the trading price of the NCDs and our ability to raise funds.

CRISIL has assigned a rating of “CRISIL AAA/Stable” to the long term borrowing programme of our Company for an amount up to ₹ 56,000 crore for Fiscal 2020 *vide* its letter dated September 16, 2019. ICRA has assigned a rating of [ICRA]AAA(Stable)’ to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount up to ₹ 56,000 crore for Fiscal 2020, by its letter dated August 21, 2019, and revalidated the said rating *vide* its letter dated September 13, 2019. CARE has assigned its rating of "CARE AAA; Stable" to the long term market borrowing programme of our Company, for an amount up to ₹ 56,000 crore for Fiscal 2020, by its letter dated March 28, 2019, and revalidated the said rating *vide* its letter dated September 17, 2019. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt. For the rationale for these ratings, see Annexure A of this Draft Shelf Prospectus.

69. Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.

The NCDs will be secured by way of first *pari passu* charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company). However, the NCDs will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation.

70. The NCDs are not guaranteed by the Republic of India.

The NCDs are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 59.05% of our Company's issued and paid up share capital as of June 30, 2019, the Government is not providing a guarantee in respect of the NCDs. In addition, the Government is under no obligation to maintain the solvency of our Company. Therefore, investors should not rely on the Government ensuring that our Company fulfils its obligations under the NCDs.

71. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

72. The NCDs are subject to the risk of change in law.

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any NCDs affected by it.

73. Some of the information included in this Draft Shelf Prospectus has been prepared by third parties and may be inaccurate or outdated.

This Draft Shelf Prospectus includes information on the Indian economy and the Indian power industry taken from third parties, which our Company believes is reliable. However, the information taken from third parties and included in this Draft Shelf Prospectus may be inaccurate and outdated, and our Company makes no representation or warranty, express or implied, as to the accuracy or completeness of this information. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Shelf Prospectus. Our Company also cannot provide any assurance that the third parties have used correct or sound methodology to prepare the information included in this Draft Shelf Prospectus.

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SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956 and was granted a certificate of commencement of business on December 31, 1987. We were incorporated by the GoI in order to finance, facilitate and promote power sector development in India with the President of India, acting through the MoP, holding 100% of our paid up equity share capital at the time of incorporation. The President of India, acting through the MoP, held 59.05% of our paid-up Equity Share capital as on June 30, 2019. For further details, see the section titled "*History and Certain Corporate Matters*" on page 123.

Registered Office and Corporate Office

'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: + 91 11 2345 6000
Facsimile: + 91 11 2341 2545
Website: www.pfcindia.com

Registration

Details	Registration/Identification number
CIN	L65910DL1986GOI024862
NBFC registration certificate number, under section 45 IA of the RBI Act	B-14.00004

Contents of the Memorandum of Association of the Company as regards its objects

For information on the Company's main objects, please see the section titled "*History and Certain Corporate Matters – Main Objects*" on page 124. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" beginning on page 270.

Liability of the members of the Company

Limited by shares.

Address of the Registrar of Companies

The Registrar of Companies,
Delhi and Haryana
4th Floor, IFCI Tower, 61, Nehru Place
New Delhi 110 019, India

Director (Finance)*

Mr. Naveen Bhushan Gupta
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6000
Facsimile: +91 11 2341 2545
Email: nb_gupta@pfcindia.com
**The Director (Finance) as part of his role carries out the functions of the chief financial officer.*

Company Secretary of the Company

Mr. Manohar Balwani
'Urjanidhi
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6740
Facsimile: +91 11 2345 6293
E-mail: mb@pfcindia.com

Compliance Officer of the Company

Mr. Manohar Balwani
'Urjanidhi
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6740
Facsimile: +91 11 2345 6293
E-mail: mb@pfcindia.com

Investors can contact the Compliance Officer of the Company or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, non-credit of Allotted NCDs in beneficiary accounts, and transfers as the case may be.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the NSE.

Lead Managers to the Issue

Trust Investment Advisors Private Limited 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India. Telephone: +91 22 4084 5000 Facsimile: +91 22 4084 5066 Email: pfcbond2019@trustgroup.in Investor Grievance E-mail: customercare@trustgroup.in Website: www.trustgroup.in Contact person: Ms. Hetal Sonpal SEBI Registration No.: INM000011120 Compliance Officer: Mr. Ankur Jain CIN: U67190MH2006PTC162464	**A. K. Capital Services Limited** 30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: +91 22 6754 6500 / +91 22 6634 9300 Facsimile: +91 22 6610 0594 Email: pfcncd2019@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co. in Website: www.akgroup.co.in Contact person: Ms. Aanchal Wagle / Mr. Krish Sanghvi Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881	**Edelweiss Financial Services Limited** Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098 Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email:pfcbond2019@ edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641
ICICI Bank Limited ICICI Bank Towers, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 22 4008 7295 Facsimile: +91 22 2653 1063 Email: publicbonds@icicibank.com Investor Grievance E-mail: vivek.r@icicibank.com Website: www.icicibank.com Contact person: Mr. Sreekanta Chatterjee Compliance Officer: Mr. Vivek Ranjan SEBI Registration No.: INM000010759 CIN: L65190GJ1994PLC021012	**JM Financial Limited** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Telephone: +91 22 6630 3030 Facsimile: +91 22 6630 3330 Email: PFC.bondissue2019 @jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact person: Ms. Prachee Dhuri Compliance Officer: Mr. Sunny Shah SEBI Registration No.: INM000010361 CIN: L67120MH1986PLC038784	**SBI Capital Markets Limited** 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Maharashtra, India. Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 Email: pfcpublicissue2019@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Mr. Mandeep Singh Compliance Officer: Mr. Bhaskar Chakraborthy. SEBI Registration No.: INM000003531 CIN: U99999MH1986PLC040298

Consortium Members / Members of the Consortium

As included in the relevant Tranche Prospectus.

Debenture Trustee

Beacon Trusteeship Limited
4 C & D, Siddhivinayak Chambers, opposite MIG Cricket Club,
Bandra (East), Mumbai 400 051
Telephone: +91 22 2655 8759
Email: compliance@beacontrustee.co.in
Investor Grievance Email: investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Ms. Vaishali Urkude
SEBI Registration No.: IND000000569
CIN: U74999MH2015PLC271288

Registrar to the Issue

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)

Karvy Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana 500 032

Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Email: pfc.ncd@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: U72400TG2017PTC117649

Karvy Fintech Private Limited has by its letter dated September 18, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Statutory Auditors

M/s Gandhi Minocha & Co.
Chartered Accountants
B-6, Shakti Nagar Extension, New Delhi – 110052
Tel: 011 -27303078
Email: gandhica@yahoo.com
ICAI Firm Registration No. 000458N
Term: FY 2019-20
Contact person: CA Manoj Bhardwaj

M/s Dass Gupta & Associates
Chartered Accountants
NDG Center, B-4, Gulmohar Park, New Delhi 110049
Tel: 011-46111000
Email: admin@dassgupta.com
ICAI Firm Registration No. 000112N
Term: FY 2019-20
Contact person: CA Pankaj Mangal

Being a government company, the statutory auditors of the Issuer are appointed by the CAG. The annual accounts of the Issuer are reviewed every year by the CAG and their comments are also published in our annual report.

Legal Counsel to the Issue

J. Sagar Associates
Vakils House
18, Sprott Road, Ballard Estate
Mumbai 400 001
Tel: + 91 22 4341 6000
Facsimile: +91 22 4341 8617

Bankers to the Company

State Bank of India 5th Floor, Paraswanath, Capital Tower, Bhai Veer Singh Marg, New Delhi-110001 Tel: 011-23475505 Fax: 011-23746069 Email: sbi.17313@sbi.co.in Website: www.sbi.co.in Contact person: Mr. Kuldeep Singh	**Bank of India** 66, Janpath, New Delhi Tel: 011-23320944 Email: janpath.newdelhi@bankofindia.co.in Website: www.bankofindia.co.in Contact person: Mr. V.K. Hawan
Punjab National Bank ECE House, KG Marg, C.P. New Delhi Tel: 011-23711257 Email: bo1120@pnb.co.in Website: www.pnbindia.in Contact person: Mr. Ravi Kant	**ICICI Bank Limited** ICICI Bank Tower, NBCC Place. Bhishm Pitahma Marg, Pragati Vihar, New Delhi-110003 Tel: 011-30278360 Fax: 011-24390070 Email: sunil.rathi@icicibank.com Website: https://www.icicibank.com Contact person: Mr. Sunil Rathi
HDFC Bank Limited HDFC Bank Ltd., 3rd Floor, B-6/3 Safdarjung Enclave, DDA Commercial complex, Opp. deer park, New Delhi- 110029 Tel: 011-41392125 Mobile: +918130149249 Email: Bhaskar.kakkar@hdfcbank.com Website: https://www.hdfcbank.com Contact person: Mr. Bhaskar Kakkar	

Public Issue Account Bank

As specified in the relevant Tranche Prospectus.

Refund Bank

As specified in the relevant Tranche Prospectus.

Underwriting

This Issue shall not be underwritten.

Arrangers

There are no arrangers to the Issue

Credit Rating Agencies

CARE RATINGS LIMITED	CRISIL LIMITED
13th Floor, E-1, Block Videocon Tower Jhandewalan Extension New Delhi 110 055 Tel: +91 11 4533 3200 Fax: (+91 11) 4533 3238 Website: www.careratings.com E-mail: shubha.bhanu@careratings.com Contact Person: Ms. Shubha Bhanu SEBI Registration No: IN/CRA/004/1999	CRISIL House Central Avenue, Hiranandani Business Park Powai Mumbai 400 076 Tel: +91 22 3342 3000 Fax: +91 22 3342 3050 Website: www.crisil.com Email: crisilratingdesk@crisil.com Contact Person: Mr. Krishnan Sitaraman SEBI Registration Number: IN/CRA/001/1999
ICRA LIMITED	
1105, Kailash Building 11th Floor, 26, Kasturba Gandhi Marg New Delhi 110 001 Tel: +91 11 23357940/50 Fax: +91 11 23357014 Website: www.icra.in E-mail: shivakumar@icraindia.com Contact Person: Mr. L. Shivakumar SEBI Registration No: IN/CRA/008/2015	

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "CARE AAA; Stable" by CARE; 'CRISIL AAA/Stable' by CRISIL; and '[ICRA]AAA(Stable)' by ICRA for an amount of upto ₹ 10,000 crore vide their letters dated September 17, 2019, September 16, 2019 and September 13, 2019 respectively. The ratings provided by CARE, ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please refer to Annexure A for the rating letters and the rationale for the above ratings.

Credit Rating Agency Disclaimer

Disclaimer clause of ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capacity of the issuer concerned to timely service debts and obligations, withy reference to the instrument rated. Please visit our website www.icra.in or co0hntact nay ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statement of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Disclaimer clause of CRISIL

A CRISIL rating reflects CRISIL' s current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the rated instrument does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially that it has no financially whatever to subscribers/users/transmitters/distributors of this product. CRISIL Rating rating criteria are available without charge to the public on the CRISIL website, www crisil.com.

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CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument. which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Expert Opinion

Except for the consent of (i) the Statutory Auditors dated September 20, 2019, to include their respective names as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013, in relation to their examination reports, each dated September 20, 2019, on Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP; and (ii) the Statutory Auditors in their report dated September 20, 2019, on the statement of tax benefits, included in this Draft Shelf Prospectus, our Company has not obtained any expert opinions in respect of the Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013" .

Section 447 of the Companies Act, 2013 is reproduced below:

"**Punishment for Fraud.**

Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:
Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

Explanation — For the purposes of this section —

(i) "fraud" in relation to affairs of a company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;
(ii) "wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;
(iii) "wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled."

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a Member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the members of the Syndicate is available on the website of SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of the Syndicate at Specified Locations, see the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Consortium is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Consortium at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registered Brokers / RTAs / CDPs

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and https://www.bseindia.com/Static/PublicIssues/RtaDp.a.spx for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche II Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE for CRTAs and CDPs, as updated from time to time.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this including the Debt Application Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

For further details, please see the section titled "*Issue Procedure*" on page 236.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
As specified in the relevant Tranche Prospectus	As specified in the relevant Tranche Prospectus

** The Issue shall remain open for subscription on Working Days from 10.00 a.m. till 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the Board of. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange(s). For further details please refer to the chapter titled "Issue Related Information" on page 220.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, Consortium Members or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be on proportionate basis

CAPITAL STRUCTURE

Details of share capital

The following table set out details of our authorised, issued, subscribed and paid up share capital of the Company as in June 30, 2019.

(₹ in crore, except share data)

	Particulars	Aggregate value at nominal value
A)	**AUTHORISED SHARE CAPITAL**	
	11,00,00,00,000 Equity Shares of face value of ₹ 10/- each	11,000.00
	20,00,00,000 Preference share capital of face value ₹ 10 each	200.00
	Total Authorised Share Capital	11,200.00
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL**	
	2,64,00,81,408 Equity Shares of face value of ₹ 10/- each fully paid up	2,640.08
C)	**SECURITIES PREMIUM ACCOUNT**	2,776. 54

Notes:
The Issue being an issue of Secured, redeemable, non-convertible Debentures, to be issued at par, will not result in any change in the issued, subscribed and paid-up equity share capital or securities premium account of the Company.

Details of change in authorized share capital as on June 30, 2019

Please see below the details of the change in authorized share capital of the Company:

Sr. No	Date of change	Particulars of change in authorised share capital	Details of the resolution/order
1.	January 18, 1991	Share capital of the company increased to Rs. 20,00,00,00,000	Amended by Special Resolution passed at the Extra Ordinary General Meeting of shareholders held on January 18, 1991.
2.	August 19, 2016	Share capital of the company increased to Rs. 100,00,00,00,000	Clause V of the memorandum of association amended vide ordinary resolution passed at 30th Annual General Meeting of Shareholders held on August 19, 2016.
3.	February 7, 2019	Share capital of the company increased to Rs. 112,000,000,000	Clause V of the memorandum of association amended vide MCA Order no. 24/6/2018-CL-III dt. Dated February 7, 2019, pursuant to scheme of Arrangement with effective date of amalgamation i.e. April 1, 2017.

Notes to capital structure

1. Share capital history of our Company

History of Equity Share capital of our Company as on June 30, 2019

Set forth below is change in Equity Share capital history of our Company for the five years preceding the last quarter:

Date of issue/ allotment	No. of Equity Shares of the Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative number of Equity Shares	Cumulative Share Premium *(₹ in crore)*	Cumulative Equity Share Capital *(₹ in crore)*
September 1, 2016	13,20,040,704*	10	N/A	Bonus issue	Bonus	2,64,00,81,408	2,776.54	2,640.08

**Allotment of 13,20,040,704 Equity Shares as bonus shares to the existing Equity Shareholders of our Company in the ratio of* 1:1.

History of Preference Share capital of our Company as on June 30, 2019

Set forth below is change in Preference Share capital history of our Company for the five years preceding the last quarter:

NIL

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2. Shareholding pattern of our Company, as on June 30, 2019

The following is the shareholding pattern of our Company, as on June 30, 2019**:**

Table I – Summary Statement holding of specified securities

Table I - Summary Statement holding of specified securities																		
Category	**Category of Shareholder**	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (VII) = (IV)+(V)+ (VI)**	**Shareholding as a % of total no of shares (As a % of (A+B+C2))**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
								No of Voting Rights			**Total as a % of (A+B+C)**			**No.**	**As a % of total Shares held**	**No.**	**As a % of total Shares held**	
								Class X	**Class Y**	**Total**								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	1,55,88,89,417	0	0	1,55,88,89,417	59.05	1,55,88,89,417	0	1,55,88,89,417	59.05	0	59.05	0	0.00	0	0.00	1,55,88,89,417
(B)	Public	2,32,732	1,08,11,91,991	0	0	108,11,91,991	40.95	1081191991	0	1081191991	40.95	0	40.95	0	0.00	NA	NA	1,08,11,56,038

(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total	**2,32,733**	**2,64,00,81,408**	**0**	**0**	**2,64,00,81,408**	**100.00**	**2,64,00,81,408**	**0**	**2,64,00,81,408**	**100.00**	**0**	**100.00**	**0**	**0.00**	**0**	**0.00**	**2,64,00,45,455**

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Table II – Statement showing shareholding pattern of the Promoter and Promoter Group

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	

									Class X	**Class Y**	**Total**								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Indian																		
(a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government/State Government(s)		1	1,55,88,89,417	0	0	1,55,88,89,417	59.05	1,55,88,89,417	0	1,55,88,89,417	59.05	0	59.05	0	0.00	0	0.00	1,55,88,89,417
	PRESIDENT OF INDIA	IN30133019779027	1	1,55,88,89,417	0	0	1,55,88,89,417	59.05	1,55,88,89,417	0	1,55,88,89,417	59.05	0	59.05	0	0.00	0	0.00	1,55,88,89,417
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)		1	1,55,88,89,417	0	0	1,55,88,89,417	59.05	1,55,88,89,417	0	1,55,88,89,417	59.05	0	59.05	0	0.00	0	0.00	1,55,88,89,417
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

	Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**1**	**1,55,88,89,417**	**0**	**0**	**1,55,88,89,417**	**59.05**	**1,55,88,89,417**	**0**	**1,55,88,89,417**	**59.05**	**0**	**59.05**	**0**	**0.00**	**0**	**0.00**	**1,55,88,89,417**

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Table III – Statement showing shareholding pattern of the Public shareholder

Table III - Statement showing shareholding pattern of the Public shareholder																			
Category	**Category & Name of the Shareholder**	**PAN**	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (IV+V+VI)**	**Shareholding as a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
									No of Voting Rights			**Total as a % of (A+B+C)**			**No.**	**As a % of total Shares held**	**No.**	**As a % of total Shares held**	
									Class X	**Class Y**	**Total**								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Institutions																		
(a)	Mutual Funds		17	29,11,82,242	0	0	29,11,82,242	11.03	29,11,82,242	0	29,11,82,242	11.03	0	11.03	0	0.00	NA	NA	29,11,82,242
	HDFC TRUSTEE COMPANY LIMITED - A/C HDFC MID - CAPOPPORTUNITIES FUND	AAATH1809A	1	20,71,61,795	0	0	20,71,61,795	7.85	20,71,61,795	0	20,71,61,795	7.85	0	7.85	0	0.00	NA	NA	20,71,61,795

	CPSE ETF	AAATR0090B	1	5,47,53,623	0	0	5,47,53,623	2.07	5,47,53,623	0	5,47,53,623	2.07	0	2.07	0	0.00	NA	NA	5,47,53,623
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		307	47,09,26,423	0	0	47,09,26,423	17.84	47,09,26,423	0	47,09,26,423	17.84	0	17.84	0	0.00	NA	NA	47,09,26,423
	UBS PRINCIPAL CAPITAL ASIA LIMITED	AABCU7548R	1	14,81,17,556	0	0	14,81,17,556	5.61	14,81,17,556	0	14,81,17,556	5.61	0	5.61	0	0.00	NA	NA	14,81,17,556
	MORGAN STANLEY FRANCE S.A.	AAKCM6204B	1	5,32,55,424	0	0	5,32,55,424	2.02	5,32,55,424	0	5,32,55,424	2.02	0	2.02	0	0.00	NA	NA	5,32,55,424
(f)	Financial Institutions/Banks		12	1,46,56,014	0	0	1,46,56,014	0.56	1,46,56,014	0	1,46,56,014	0.56	0	0.56	0	0.00	NA	NA	1,46,56,012
(g)	Insurance Companies		5	16,15,59,176	0	0	16,15,59,176	6.12	16,15,59,176	0	16,15,59,176	6.12	0	6.12	0	0.00	NA	NA	16,15,59,176
	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	1	14,76,04,886	0	0	14,76,04,886	5.59	14,76,04,886	0	14,76,04,886	5.59	0	5.59	0	0.00	NA	NA	14,76,04,886
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	Sub Total (B)(1)		**341**	**93,83,23,855**	**0**	**0**	**93,83,23,855**	**35.54**	**93,83,23,855**	**0**	**93,83,23,855**	**35.54**	**0**	**35.54**	**0**	**0.00**	**NA**	**NA**	**93,83,23,853**
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**
(3)	Non-Institutions																		
(a)	i.Individual shareholders		2,26,359	8,71,70,762	0	0	8,71,70,762	3.30	8,71,70,762	0	8,71,70,762	3.30	0	3.30	0	0.00	NA	NA	8,71,34,811

	holding nominal share capital up to Rs. 2 lakh																		
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh		308	2,02,02,131	0	0	2,02,02,131	0.77	2,02,02,131	0	2,02,02,131	0.77	0	0.77	0	0.00	NA	NA	2,02,02,131
(b)	NBFCs Registered with RBI		23	1,3,77,258	0	0	13,77,258	0.05	13,77,258	0	13,77,258	0.05	0	0.05	0	0.00	NA	NA	13,77,258
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	TRUSTS		22	19,55,433	0	0	19,55,433	0.07	19,55,433	0	19,55,433	0.07	0	0.07	0	0.00	NA	NA	19,55,433
	ALTERNATIVE INVESTMENT FUND		2	5,29,820	0	0	5,29,820	0.02	5,29,820	0	5,29,820	0.02	0	0.02	0	0.00	NA	NA	5,29,820
	NON RESIDENT INDIANS		2,865	26,37,747	0	0	26,37,747	0.10	26,37,747	0	26,37,747	0.10	0	0.10	0	0.00	NA	NA	26,37,747
	CLEARING MEMBERS		224	68,32,353	0	0	68,32,353	0.26	68,32,353	0	68,32,353	0.26	0	0.26	0	0.00	NA	NA	68,32,353
	Qualified Institutional Buyer		1	2,500	0	0	2,500	0.00	2,500	0	2,500	0.00	0	0.00	0	0.00	NA	NA	2,500
	NON RESIDENT INDIAN NON REPATRIABLE		1,554	9,92,416	0	0	9,92,416	0.04	9,92,416	0	9,92,416	0.04	0	0.04	0	0.00	NA	NA	9,92,416
	BODIES CORPORATES		1,032	21,12,3687	0	0	2,11,23,687	0.80	2,11,23,687	0	2,11,23,687	0.80	0	0.80	0	0.00	NA	NA	2,11,23,687
	I E P F		1	44,029	0	0	44,029	0.00	44,029	0	44,029	0.00	0	0.00	0	0.00	NA	NA	44,029

	Sub Total (B)(3)		**2,32,391**	**14,28,68,136**	**0**	**0**	**14,28,68,136**	**5.41**	**14,28,68136**	**0**	**14,28,68,136**	**5.41**	**0**	**5.41**	**0**	**0.00**			**14,28,32,185**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		**2,32,732**	**1,08,11,91,991**	**0**	**0**	**1,08,11,91,991**	**40.95**	**1,08,11,91,991**	**0**	**1081191991**	**40.95**	**0**	**40.95**	**0**	**0.00**			**1,08,11,56,038**

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Table IV – Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder																			
Category	**Category & Name of the Shareholder**	**PAN**	**No of Shareholders**	**No of fully paid up equity shares held**	**No of Partly paid-up equity shares held**	**No of Shares Underlying Depository Receipts**	**Total No of Shares Held (IV+V+VI)**	**Shareholding as a % of total no of shares (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No of Shares Underlying Outstanding convertible securities (Including Warrants)**	**Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)**	**Number of Locked in Shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
									No of Voting Rights			**Total as a % of (A+B+C)**			**No.**	**As a % of total Shares held**	**No.**	**As a % of total Shares held**	
									Class X	**Class Y**	**Total**								
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**			**0**

3. ***Details of Promoter's shareholding in our Company*** **:**

The following is the shareholding of our Promoter in our Company, as on June 30, 2019:

Sr. No.	Name of Promoter	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares	No. of Shares Pledged	% of Shares Pledged with respect to shares owned	No. of Equity shares held in Dematerialised form
1.	President of India	155,88,89,417	59.05	0	0	155,88,89,417
	Total	155,88,89,417	59.05	0	0	155,88,89,417

4. ***Details of Promoter's shareholding in our Company's subsidiaries:***

The following is the shareholding of our Promoter in our Company's Subsidiaries, as on June 30, 2019:

NIL

5. ***Details of the Directors' shareholding in our Company*****:**

The following is the shareholding of our Directors in our Company, as on date of this Draft Shelf Prospectus:

Sr. No.	Name of Directors	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares
1.	Mr. Rajeev Sharma	32,574	0.0012
2.	Mr. Naveen Bhushan Gupta	24,584	0.0009
3.	Mr. Praveen Kumar Singh	32,194	0.0012
4.	Mr. Ravinder Singh Dhillon	27,050	0.0010

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6. ***Details of the Directors shareholding in our Company's Subsidiaries*:**

The following is the shareholding of our Directors in our Company's Subsidiaries, as on date of this Draft Shelf Prospectus:

Sr. No.	*Name of Subsidiaries*	*Name of Directors*	*No. of Equity shares held*	*Total shareholding as a percentage of the total number of Equity Shares*
1.	PFC Consulting Limited	Mr. P.K. Singh	100*	0.191
		Mr. R.S. Dhillon	100*	0.191
2.	Coastal Karnataka Power Limited	Mr. N.B. Gupta	100*	0.2
		Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
3.	Coastal Maharashtra Mega Power Limited	Mr. N.B. Gupta	100*	0.2
		Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
4.	Coastal Tamil Nadu Power Limited	Mr. N.B. Gupta	100*	0.2
		Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
5.	Chhattisgarh Surguja Power Limited	Mr. N.B. Gupta	100*	0.2
		Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
6.	Orissa Integrated Power Limited	Mr. N.B. Gupta	100*	0.2
		Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
7.	Sakhigopal Integrated Power Co. Limited	Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
8.	Ghogarpalli Integrated Power Co. Limited	Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
9.	Tatiya Andhra Mega Power Limited	Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
10.	Deoghar Mega Power Limited	Mr. P.K. Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
11.	Cheyyur Infra Limited	Mr. R.S. Dhillon	100*	0.2
12.	Odisha Infrpower Limited	Mr. R.S. Dhillon	100*	0.2
13.	Deoghar Infra Limited	Mr. R.S. Dhillon	100*	0.2
14.	Bihar Infrapower Limited	Mr. R.S. Dhillon	100*	0.2
15.	Bihar Mega Power Limited	Mr. R.S. Dhillon	100*	0.2
16.	Jharkhand Infrapower Limited	Mr. R.S. Dhillon	100*	0.2

** Nominee of Power Finance Corporation Limited*

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7. *Details of top 10 Equity shareholders of our Company:*

The following are the details of the top ten Equity shareholders of our Company, as on June 30, 2019:

Sr. No.	Name of the shareholder	Total No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares
1.	President of India	155,88,89,417	155,88,89,417	59.05
2.	UBS Principal Capital Asia Limited	14,81,17,556	14,81,17,556	5.61
3.	Life Insurance Corporation of India	14,76,04,886	14,76,04,886	5.59
4.	HDFC Trustee Company Limited a/c HDFC Balance Advantage Fund	9,66,55,874	9,66,55,874	3.66
5.	Morgan Stanley France S.A.	5,32,55,424	5,32,55,424	2.02
6.	HDFC Trustee Company Limited-HDFC Equity Fund	5,31,59,775	5,31,59,775	2.01
7.	CPSE ETF	4,59,92,817	4,59,92,817	1.74
8.	HDFC Trustee Company Limited a/c HDFC top 100 Fund	2,89,42,486	2,89,42,486	1.10
9.	HDFC Trustee Company Limited - A/C HDFC Mid – Cap opportunities Fund	1,97,03,460	1,97,03,460	0.75
10.	Abu Dhabi Investment Authority- LGLINV	1,52,46,781	1,52,46,781	0.58
	Total	2,167,568,476	2,167,568,476	**82.11**

8. *Details of top 10 bond holders:*

The following are the details of the top ten secured bond holders, as on June 30, 2019:

Sr. No.	Name	Total face value amount of debentures held in ₹ (in crore)
1.	Aditya Birla Sun Life Trustee Private Limited	390.00
2.	ITC Limited	389.56
3.	Azim Premji Trust	283.56
4.	Pioneer Independent Trust	270.37
5.	Infosys Limited	250.00
6.	Hindustan Zinc Limited	212.39
7.	Techpro Ventures LLP	163.15
8.	Shree Cement Limited	115.00
9.	Oil India Limited	100.00
10.	Vedanta Limited	97.17

The following are the details of the top ten unsecured bond holders, as on June 30, 2019:

Sr. No.	Name	Total face value amount of debentures held in ₹ (in crore)
1.	Life Insurance Corporation of India	31,614.70
2.	Employee Provident Fund Organisation	21,612.04
3.	State Bank of India	17,885.61
4.	Aditya Birla Sun Life Trustee Private Limited	8,275.70
5.	NPS Trust- A/C Kotak Pension Fund	6,888.70
6.	HDFC Trustee Co. Limited	5,248.00
7.	Coal Mines Provident Fund Organisation	4,722.10
8.	SBI Debt Fund	4,257.50
9.	ICICI Prudential Capital Protection Oriented Fund	4,185.10
10.	IDFC Cash Fund	3,599.20

Statement of the aggregate number of securities of our Company and its Subsidiaries purchased or sold by our Promoter and our Directors and/or their relatives within six months immediately preceding the date of filing this Draft Shelf Prospectus

Except as disclosed in "*History and Certain Corporate Matters- Material Agreements*" on page 131 and "*Capital Structure- Details of any Acquisition or Amalgamation in the last one year*" given below, none of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013 and the Promoter of our Company have undertaken purchase and/or sale of the Securities of our Company during the preceding 6 (six) months from the date of this Draft Shelf Prospectus. Further, the follow-on fund offer 5 was made on July 22, 2019, by the GoI for sale of 7,63,13,829 Equity Shares of the Company constituting 2.89% of Promoter's holding in the Company.

Debt-Equity Ratio

The pre-Issue and post-Issue Debt-Equity Ratio, on a standalone basis, as on June 30, 2019 is 6.28 and 6.50*, respectively. For details of borrowings and net worth of the Company, please see the section titled "*Our Business - Key Operational and Financial Parameters*" beginning on page 77.

** Post-Issue Debt-Equity ratio is considering the issue size of ₹ 10,000 crore.*

Details of any Acquisition or Amalgamation in the last one year

The Cabinet Committee of Economic Affairs, on December 6, 2018, had given its 'in principle' approval for strategic sale of GoI's 52.63% of total paid up equity shareholding in REC to our Company along with transfer of management control. Our Company has acquired 103,93,99,343 equity shares of REC (representing 52.63% of the share capital of REC Limited from President of India) March 28, 2019. Post the acquisition, our Company has become the holding company and also a promoter of REC.

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, 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 (PFCCL, a wholly owned subsidiary of the Company) with effect from the appointed date i.e. April 1, 2018.

For further details, please refer to the section *"History and Certain Corporate Matters – Material Agreements"* on page 131.

Details of any Reorganization or Reconstruction in the last one year

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus. For further details, please refer to the section *"History and Certain Corporate Matters"* on page 123.

Details of change in the Promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI)

NIL

Equity shares issued for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash.

Debt securities issued at a premium or a discount

Our Company has not, since its incorporation, issued any debt securities (i) for consideration other than cash, (ii) at a premium or at a discount, except for the tax free bonds issued on private placement in the Financial Years 2011-2012, 2012-13, 2013-14 and 2015-16 and foreign currency bonds under medium term notes programme through various tranches - 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027. For further details, please refer to the section *"Financial Indebtedness"* on page 144.

Outstanding borrowings of our Company

For details of the outstanding borrowing of our Company, please see the section titled *"Financial Indebtedness"* on page 144.

Employee Stock Option Scheme ("**ESOP scheme**")

As on the date of the Draft Shelf Prospectus, the Company does not have any existing ESOP scheme.

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OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Shelf Prospectus for a public issue of Secured, Redeemable, NCDs aggregating up to ₹ 10,000 crore (the "**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should read together with this Draft Shelf Prospectus and the Shelf Prospectus.

Our Company proposes to utilise the funds raised through this Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**") and subject to applicable laws/regulations, towards funding the following objects (collectively, referred to as "**Objects**"):

1. For the purpose of onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company); and;

2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (₹ in crore)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: Tranche Issue related expenses*	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of Allottees, market conditions and other relevant factors.*

Requirements of funds and utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	Onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company)	At least 75%
2.	General corporate purposes*	Maximum of up to 25%
Total		**100%**

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Managers and selling commission to the Lead Managers/Consortium Members, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs' commission / fees, listing fees and any other expense directly related to Issue. The estimated Issue expenses for each Tranche Issue shall be specified in the respective Tranche Prospectus. The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Purpose for which there is a Requirement of Funds

As stated in "– *Issue Proceeds*" above.

Funding plan

Not applicable

Summary of the project appraisal report

Not applicable.

Schedule of implementation of the project

Not applicable.

Interim Use of Proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board of Directors. Such investment would be in accordance with applicable law and the investment policies approved by the Board of Directors or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors or any other person authorized by Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2020, the utilisation of the proceeds of the Issue under a separate head/note along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such un-utilised proceeds of the Issue. Further, in accordance with the SEBI Debt Regulations, our Company will furnish to the Stock Exchange(s) on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results. We shall utilize the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchange as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" on page 223.

Other Confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other direct or indirect acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except payments to be made by way of fees and commission to our group companies that participate in the Issue as SEBI registered intermediaries.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further the Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, receipt of minimum subscription, i.e. 75% of base issue relating to each Tranche Issue and upon receipt of the listing and trading approval from the Stock Exchange as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" beginning on page 223.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with the Public Issue Account Bank as referred to in sub-section (3) of section 40 of the Companies Act, 2013, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals.

(b) The allotment letter shall be issued or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

(c) Details of all monies unutilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head/note in our financial statements till the time any part of the proceeds of the Issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

(d) Details of all monies utilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head/note in our financial statements indicating the purpose for which such monies have been utilized.

(e) We shall utilize the Issue proceeds only after (i) receipt of minimum subscription, i.e. 75% of the Base Issue pertaining to each Tranche Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; and (iv) obtaining listing and trading approval as stated in this Draft Shelf Prospectus in the section titled "*Issue Structure*" beginning on page 220.

Variation in Terms of Contract or Objects in this Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws, and except subject to the approval of or subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Benefit or Interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoters or Directors from the Objects of the Issue.

STATEMENT OF TAX BENEFITS

Date: September 20, 2019

To,

Power Finance Corporation Limited
'Urjanidhi',
1, Barakhamba Lane, Connaught Place,
New Delhi - 110 001, India.
Dear Ma'am/Sir,

Re: Proposed Public Issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") of face value ₹ 1,000 each aggregating up to Rs. 10,000 crore by Power Finance Corporation Limited ("Company") in one or more tranches from time to time ("Issue")

This is to certify that summary of *Statement of tax benefits* is incorporated in **Annexure-A** and is in the form it appears in the Draft Shelf Prospectus/ Shelf Prospectus/ Tranche Prospectus.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. Our views are not binding on any authority or court, and so, no assurance is given that a position contrary to that expressed herein would not be asserted by any authority and ultimately sustained by an Appellate Authority or a Court of law. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

The statement is neither a reproduction nor an extract of the relevant provisions of the Income Tax Act, 1961 and is an attempt to corelate the relevant provisions in a simplified manner.

We undertake to immediately inform the Lead Managers and legal counsels in case of any changes or any material developments in respect to the matters covered above only upon receipt of knowledge of the same from the Company till the listing of the securities. In the absence of any such communication, it may be assumed that the above information is accurate and updated and there is no change in respect of the matters covered in this certificate.

We also authorize you to deliver a copy of this letter pursuant to the provisions of the Companies Act, 2013 to Securities and Exchange Board of India, the Registrar of Companies, the stock exchanges or any other regulatory authority as required by law. We further consent to the above details being included for the Records to be maintained by the Lead Managers in connection with the Issue and in accordance with applicable laws.

This letter may be relied upon by Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely,
For and on behalf of

Gandhi Minocha & Co.
Authorized Signatory

Name: CA Manoj Bhardwaj
Designation: Partner

Dass Gupta and Associates
Authorized Signatory

Name: CA Pankaj Mangal
Designation: Partner

Membership Number: 098606
Date: 20.09.2019
Firm Registration Number: 000458N
Place: New Delhi

Membership Number: 097890
Date: 20.09.2019
Firm Registration Number: 000112N
Place: New Delhi

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ANNEXURE

STATEMENT OF SUMMARY OF TAX BENEFITS

The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

The statement is neither a reproduction nor an extract of the relevant provisions of the Income Tax Act, 1961 and is an attempt to corelate the relevant provisions in a simplified manner.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

<u>Under the Income-Tax Act, 1961 ("I.T. Act")</u>

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

2. As per section 112 of the I.T. Act, Capital gains arising on the transfer of long term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and Cess) of capital gains calculated without indexation of the cost of acquisition(i.e. without giving effect to Second Proviso to Sec 48). The capital gains shall be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration. In certain cases, Capital gains is exempted under section 54EE and 54F (refer para no. III)

3. In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

5. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

6. No income tax is deductible at source in respect of any security issued by a Company in a dematerialized Form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act 1956 and the rules made thereunder. However, Income tax is deductible at source on interest on debentures, payable to resident debenture holders, where such securities are held in physical form, at the time of credit / payment as per the provisions of section 193 of the I.T. Act.

7. Interest on application money and interest on refund application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and TDS would be deducted at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

II. Tax benefits available to Mutual Funds

1. As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

III. Exemption under Section 54EE and 54F of the I.T. Act

1. As per provisions of Section 54EE of the I.T. Act, long term capital gains arising to debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exemption claimed earlier would become chargeable tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.

2. As per provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holders who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exemption claimed earlier would became chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

   If the debenture holder is unable to re-invest capital gains in the above specified investment before furnishing the return of income and specified time limit for the investment has not expired, he may deposit such unutilised capital gain in the capital gains account before furnishing return of income but not beyond the due date for furnishing return of income under the prescribed Capital Gains Account Scheme, 1988, in order to still claim the exemption from capital gains tax.

IV. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

   i. at the rate specified in the relevant provision of the I. T. Act; or
   ii. at the rate or rates in force; or
   iii. at the rate of twenty per cent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (I) above in such a case.

5. Where a wrong PAN is provided, it will be regarded as non – furnishing of PAN and para (I) above will apply apart from penal consequences.

V. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

a) Without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

b) For a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I. T. Act.

NOTES:

- The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by Finance Act, 2019.

- All tax rates, surcharge and cess mentioned above are stated on the basis of prevailing rates as on date and are subject to change from time to time.

Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, The information in this section has been obtained or derived from industry sources, such as CARE Ratings Limited – Energy Outlook – FY20 Report and CARE Ratings Limited - Power Sector Year-End FY19 Report and government publications, such as RBI Third Bi-monthly Monetary Policy Statement, 2019-20 Resolution of the Monetary Policy Committee and India Economic Survey – Volumes I & II (2018-19). The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisers. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Draft Shelf Prospectus.

Global Economy

Global economic activity has slowed down since June 2019, amidst elevated trade tensions and geo-political uncertainty. Among advanced economies ("**AEs**"), GDP growth in the US decelerated in the second quarter of 2019 on weak business fixed investment. In the Euro area too, GDP growth moderated in the second quarter on worsening external conditions. Economic activity in the UK was subdued in the second quarter with waning consumer confidence on account of Brexit related uncertainty and weak industrial production. In Japan, available data on industrial production and consumer confidence suggest that growth is likely to be muted in the second quarter.

Economic activity remained weak in major emerging market economies ("**EMEs**"), pulled down mainly by slowing external demand. The Chinese economy decelerated to a multi-year low in the second quarter of 2019, while in Russia subdued economic activity in the first quarter continued into the second quarter of 2019 on slowing exports and retail sales. In Brazil, the economy is struggling to gain momentum after contracting in the first quarter on weak service sector activity and declining industrial production. Economic activity in South Africa appears to be losing pace in the second quarter as the manufacturing purchasing managers' index ("**PMI**") contracted for the sixth month in succession in June and business confidence remained weak.

Crude oil prices fell sharply in mid-May on excess supplies from an increase in non-OPEC production, combined with a further weakening of demand. Consequently, extension of OPEC production cuts in early July did not have much impact on prices. Gold prices have risen sharply since the last week of May, propelled by increased safe haven demand amidst rising downside risks to growth and a worsening geo-political situation. Inflation remained benign in major advanced and emerging market economies.

Financial markets were driven by the monetary policy stances of major central banks and intensifying geo-political tensions. In the US, the equity market recovered most of the losses suffered in May, boosted by dovish guidance by the US Federal Reserve ("**US Fed**") and some transient respite in trade tensions with China. Emerging market stocks lagged behind their developed market counterparts, mainly reflecting the weak performance of Chinese and South Korean stocks. Bond yields in the US, which were already trading with a softening bias on increased probability of policy rate cuts, fell markedly in early August on escalation of trade tensions. Bond yields in some more member countries in the Euro area moved into negative territory as expectations of more accommodative monetary policy by the European Central Bank gained traction. In EMEs, bond yields edged lower on more accommodative guidance by systemic central banks. In currency markets, the US dollar weakened against major currencies in June on dovish guidance by the US Fed but appreciated in July. EME currencies, which traded with an appreciating bias in July, depreciated in early August on escalation of trade tensions.

(Source: RBI Third Bi-monthly Monetary Policy Statement, 2019-20 Resolution of the Monetary Policy Committee – https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR364DF4742A190304C428BFC89C3B01EF7C7.PDF)

The Indian Economy

India has an estimated population of 1.35 billion people as of April 2019. The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated US$2.97 trillion for the fiscal year 2018- 2019.

(Source: International Monetary Fund's World Economic Outlook as of April 2019 - https://www.imf.org/external/datamapper/datasets/WEO and World Economic Outlook, July 2019 - https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019)

The below table depicts the estimated real GDP growth of India in 2020 in comparison with certain other countries:

Country	Estimated Real GDP Growth in 2020 (%)
China	6.0
India	**7.2**
Brazil	2.4
United States	1.9
United Kingdom	1.4
Japan	0.4
World	3.5

(Source: International Monetary Fund's World Economic Outlook as of April 2019 - https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/IND)

India's growth of real GDP has been high with average growth of 7.5 per cent in the last 5 years (2014-15 onwards). India continues to remain the fastest growing major economy in the world in 2018- 19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. This moderation in growth momentum is mainly on account of lower growth in Agriculture & allied, Trade, hotel, transport, storage, communication and services related to broadcasting and public administration & defence sectors.

(Source: India Economic Survey - Volume II (2018-19), Chapter 1, Ministry of Finance - https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

Rupee depreciated by 7.8 per cent vis à-vis US dollar, 7.7 per cent against Yen, and 6.8 per cent against Euro and Pound Sterling in 2018-19. Rupee depreciated in the first half of the year due to concerns related to widening of CAD owing to rising crude oil prices coupled with tighter financial conditions in US caused by increase in Federal Funds rate by the US Federal Reserve. However, Rupee performed better than some of the other major emerging market currencies, such as, Argentine Peso, Turkish Lira, Brazilian Real, and Russian Ruble, which depreciated more than 10 per cent vis-à-vis US dollar.

(Source: India Economic Survey - Volume II (2018-19), Chapter 1, Ministry of Finance - https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

According to the Third Bi-Monthly Monetary Policy Statement in 2019-20 of the Monetary Policy Committee ("**MPC**"), the outlook for the Indian Economy is as follows:

(a) MPC stated that the baseline inflation trajectory for the next four quarters will be shaped by several factors. First, the uptick in food inflation may be sustained by price pressures in vegetables and pulses as more recent data suggest. Uneven spatial and temporal distribution of monsoon could exert some upward pressure on food items, though this risk is likely to be mitigated by the recent catch up in rainfall. Second, despite excess supply conditions, crude oil prices may likely remain volatile due to geo-political tensions in the Middle-East. Third, the outlook for CPI inflation excluding food and fuel remains soft. Manufacturing firms participating in the industrial outlook survey expect output prices to ease in Quarter 2. Fourth, one year ahead inflation expectations of households polled by the Reserve Bank have moderated. Taking into consideration these factors and the impact of recent policy rate cuts, the path of CPI inflation is projected at 3.1 per cent for the second quarter of 2019-20 and 3.5-3.7 per cent for the second half of 2019-20, with risks evenly balanced. CPI inflation for the first quarter of 2020-21 is projected at 3.6 per cent;

(b) Various high frequency indicators suggest weakening of both domestic and external demand conditions The Business Expectations Index of the RBI's industrial outlook survey shows muted expansion in demand conditions in the second quarter of 2019-20, although a decline in input costs augurs well for growth. The impact of monetary policy easing since February 2019 is also expected to support economic activity, going forward. Moreover, base effects will turn favourable in the second half of 2019-20. Taking into consideration the above factors, real GDP growth for 2019-20 has been revised downwards from 7.0 per cent in the June policy to 6.9 per cent – in the range of 5.8-6.6 per cent for the first half of fiscal 2019-20 and 7.3- 7.5 per cent for the second half of fiscal 2019-20, with risks somewhat tilted to the downside; GDP growth for the first quarter of 2020-21 is projected at 7.4 per cent

(Source: RBI Third Bi-monthly Monetary Policy Statement, 2019-20 Resolution of the Monetary Policy Committee - https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR364DF4742A190304C428BFC89C3B01EF7C7.PDF)

THE INDIAN POWER SECTOR

Outlook for Power Sector in FY20

CARE expects that total power production in India to grow by 5-6% during FY20 and the benefits of improved demand from newly connected households may kick-in during FY20. It is also expected that auctions for medium term PPAs may increase during FY20 in addition to the 5GW capacity already auctioned in FY19. The measure expected to offer respite to some of stressed thermal power capacity.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

India with a per-capita energy consumption of about one-third of the global average will have to increase its per capita energy consumption at least 2.5 times to increase its real per capita GDP by $5000 per capita, in 2010 prices, to enter the upper-middle income group. India has set ambitious targets for renewable energy and has been undertaking one of the world's largest renewable energy expansion programmes in the world. Now, globally India stands 4th in wind power, 5th in solar power and 5th in renewable power installed capacity. The share of renewables in total electricity generation has increased from 6 per cent in 2014-15 to 10 per cent in 2018-19 but thermal power still plays a dominant role at 60 per cent share.

(Source: India Economic Survey - Volume I (2018-19), Chapter 9, Ministry of Finance - https://www.indiabudget.gov.in/economicsurvey/doc/vol1chapter/echap09_vol1.pdf)

Electricity demand and generation (April-January 2019 Actuals)

Total energy generated from conventional sources in the country stood at 1051 billion units (BU) during April-January 2019, growth of 4.3% over corresponding period in FY18. Renewable power generation recorded 25% increase in generation during the first 10 months of FY19. Thermal energy which includes coal-gas-diesel based power plants accounted for 78% of the power generated in the country. Nuclear-based, Hydro-power; and Renewable energy accounted for 3%, 10% and 9% respectively of the power generated during the year.

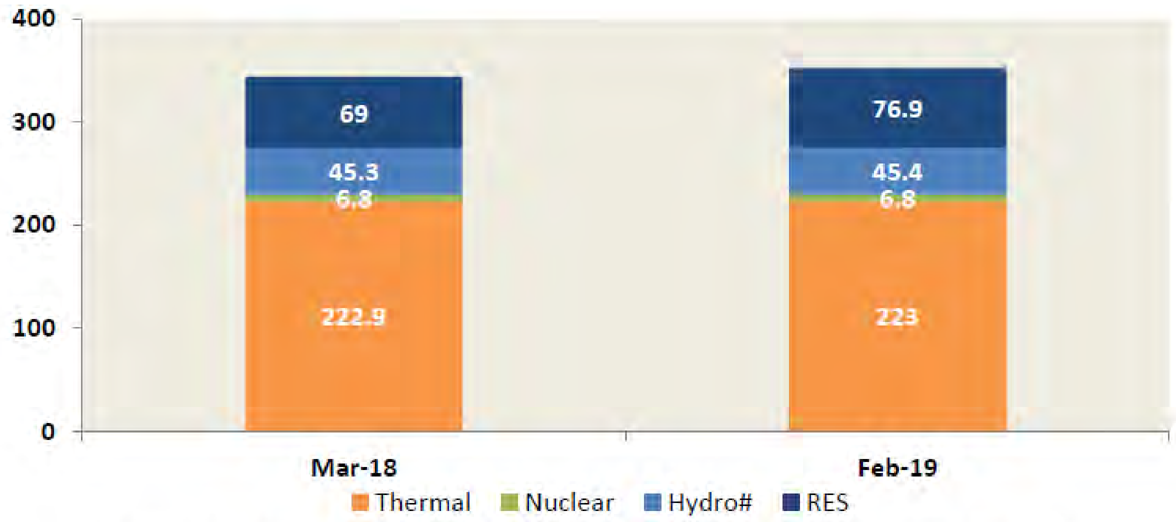
(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Installed Capacity of Power Stations in India

Installed capacity stood at 356.10 GW as of March, 2019, recording a net capacity addition of 12.10 GW during the year. Renewable Energy Sources accounted for 71% of capacity addition and remaining were from thermal power projects. Wind energy capacity addition at 1.58 GW, has slowed down considerably post FY17 when it recorded 6 GW of capacity addition.

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

All India Installed Capacity (in GW) of Power Stations as on 31 March 2019



Source: CEA, MNRE "RES- Renewable Energy" #Hydro Power has been re-categorized as RES

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Installed Capacity, Addition and Utilisation (April-January 2019 Actuals)

April-Feb 19 witnessed addition of 2.1 GW of thermal power capacity, but due to retirement of an equivalent capacity, the net capacity addition was just over 100 MW. Total thermal power capacity stood at 223 GW as of February 2019. Overall capacity utilization of coal-based plants stood at 61.1%. As of January 31st, 2019 68.7 GW of additional thermal power capacity is under construction. Gas based power plants continued to witness below-par capacity utilization and witnessed PLF remaining stable at 22.2%, marking a marginal improvement over 22% in FY18. During the 11-month period, 100MW of hydro-based plants were commissioned. Hydro power projects over 25 MW have been categorised as renewable power by the Union Government.

A total of 7.8 GW of renewable energy capacity was added during the 11 month period of FY19 as per latest data from MNRE. Solar power witnessed the highest capacity addition (5.4GW), followed by wind power (1.3 GW) and small hydro (~32 MW). Wind power capacity addition was at multi year low. Bio power capacity too recorded 1.2 GW of capacity addition during the year. SECI has issued fresh tenders totaling 6 GW in March 2019, in order to improve the overall pace of implementation of solar projects over the next 36 months. An average 2 GW of solar capacity has to be completed every month over the next three years in order to achieve a 100 GW solar power capacity.

India is 100% electrified and as per government data, all willing households have been connected to grid-based electricity. AT & T losses (March 2019) at ~19.8% vs a targeted 15% as envisaged under the UDAY scheme for March 2019 is a concern. Few major "SAUBHAGYA" beneficiary states, including J&K, UP, MP, Bihar and Rajasthan continue to have AT&C losses over 25% and their DISCOMS would have to expedite corrective measures.
(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

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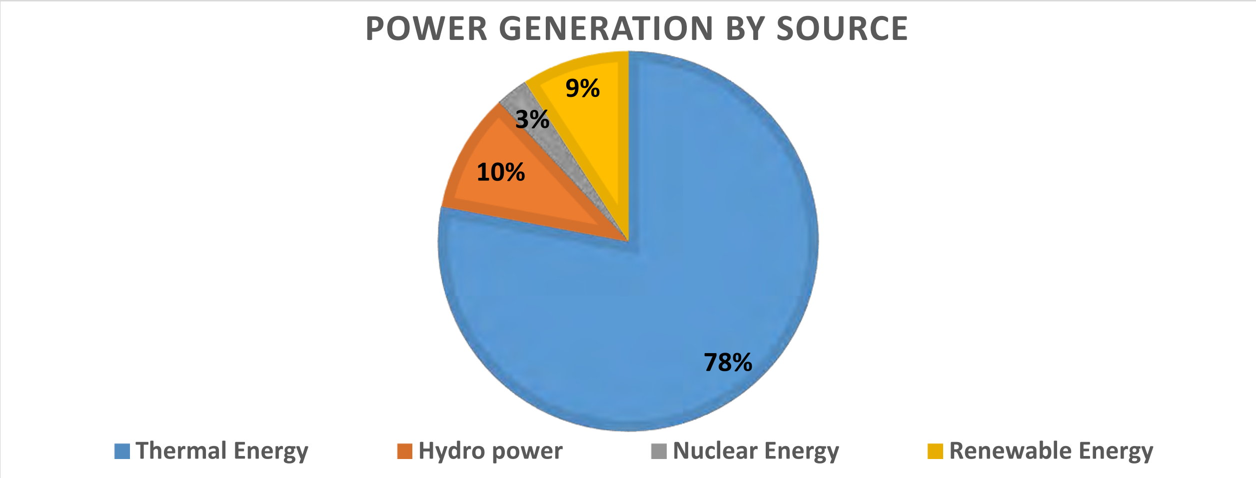
Electricity Generated in India during FY-2019

Electricity Generated during FY 2019 from different sources of power



(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Production

Total power production grew by 5.1% to 1375 billion units in FY19 vs 5.3% growth in FY18. Power produced by renewable sources grew by 25% during FY19, vs 21% growth in FY18.

Power Production (By source and Total)

(in billion units)	FY18		FY19	
	Production (BU)	Growth YOY	Production (BU)	Growth YOY
Thermal Power	1,037	4.3%	1,072	3.4%
Others	169	1.9%	177	4.7%
Renewable	102	21%	126	25%
Total	1,308	5.3	1,375	5.1

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

The key improvement in fundamentals for the sector has been achievement of 100% electrification of households across India, in FY19. Target of electrifying over 24.8 million households under "SAUBHAGYA Scheme" was announced in September 2017. The scheme was successfully completed in early-January 2019 by providing metered electricity connections to wiling households across rural and urban areas. This has addressed the supply-side constraint for generation and distribution companies.

Plant Load Factor ("PLF")

For thermal power (both coal and gas) plants across India, PLF improved from 59.9% in FY18 to 61.1% in FY19. Growth of power produced by thermal plants to the slowed down to 3.4% in FY19 vs 4.3% in FY18. This was slower than the overall power production growth of 5.1% during FY19. PLF of coal-fired plants was 66% and remained stable during FY18 & FY19. PLF of Gas based plants remained stable at 22.9% for FY18 & FY19.

Coal shortage and constrained gas-supply to respective thermal power segments limited the potential of improvement in PLF.

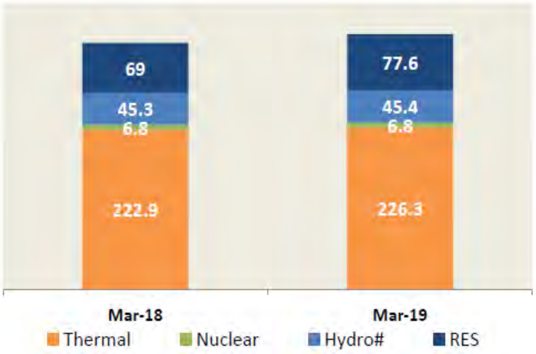
Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Capacity Addition

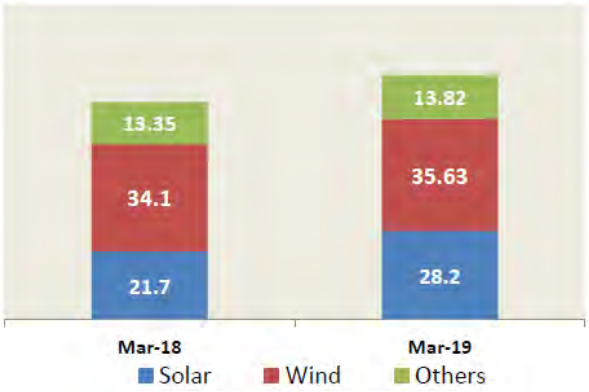
Total capacity addition during the FY 2019 was 12.1 GW.

Thermal energy (coal-fired plants) accounted for a net addition of 3.4 GW of capacity in FY19 (vs 4.6GW in FY18). Installed solar power capacity increased by 6.5GW and wind power capacity increased by ~1.5 GW in FY19. The overall renewable energy capacity addition slowed down in FY19 at 8.5 GW vs 11.8 in FY18. Other sources namely hydro-power and small-hydro projects accounted for ~ 225 MW of capacity additions. Biomass and waste to energy too witnessed an addition of ~400MW capacity during FY19.

Installed Capacity (a) by source



(b) Renewable Energy



Source: CEA, Capacity in Gigawatt= 1,000MW, All data as on end of date (Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Fuel supply and consumption

Gas supply to power plants remains in the range of 29-31% of the total gas allocated to the sector. Unavailability of enough volume of gas due to lower domestic production and high cost of imported gas has led to shortfall in supply to gas-based power plants. Major share of gas is supplied to fertilizers and city gas distribution entities (CGD).

Total coal supplied by Coal India (CIL) & Singareni Collieries Company Limited (SCCL) to power sector stood at 491.2 MT between April-Feb 2019, recording a 9.4% growth in supplies over last year's supplies during the corresponding period. CIL accounted for 90% of the domestic coal production. Ratio of coal supplied to coal allocated by CIL and SCCL to CEA monitored power plants stood at 88.2% and indicates 11.8% shortfall in supply vs allocated quantity. Total coal import grew by 13.2 % at 218.8 MT during the 11-month period over the corresponding period during the previous year. Out of this, around 22-23% of the imported coal is coking coal and the remaining is thermal and other coal. Coal from Australia and Indonesia contributed two-third of India's total coal imports. South African coal import fell during the year and was substituted by coal from the US. The two countries together account for 20% of India's coal import. Coal imports from Mozambique and Canada clocked above average growth during the year. Use of imported coal by CEA monitored plants rose by 6.3% to 55.3 MT during Apr-Feb 19 over the corresponding period during the previous year.

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Monthly Coal Imports in FY 18 & FY 19

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

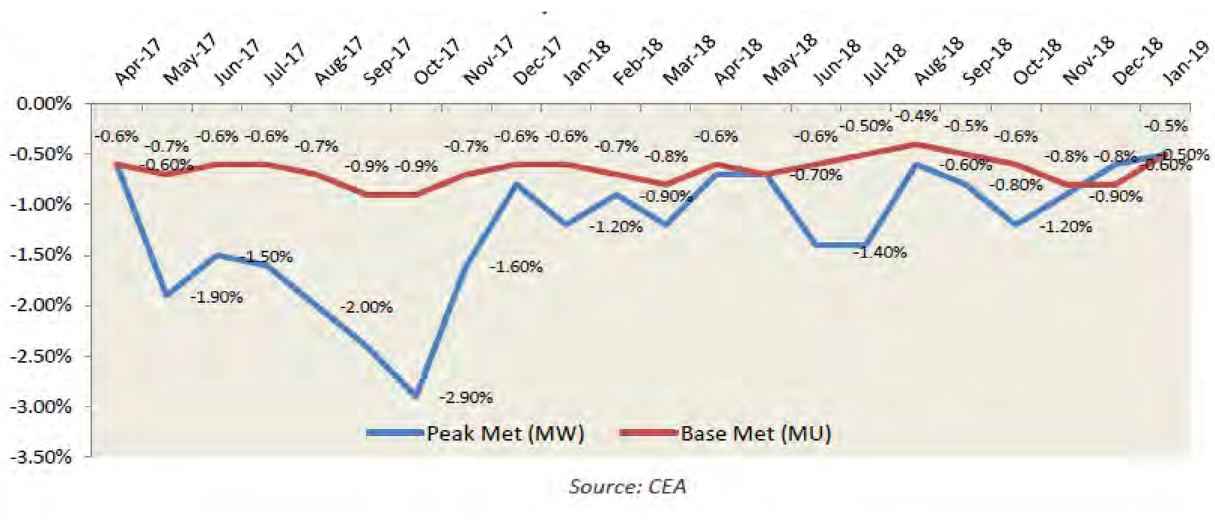
Factors contributing to increased dependency on imported coal have been lower auction of coal through the e- auction and spot auction route by state-run miners. Total volume of coal sold through e-auction has fallen by 30.1% to 56.17 MT during April-Feb 2019 vs corresponding period in the previous year. The auctioned coal fulfills demand from captive power plants and non-power sectors. Demand for imported coal from manufacturing sectors has been robust on the back of improved capacity utilization in industries like steel, cement etc. Imported coal with lower fly ash and higher energy per tonne makes it cost effective against domestic coal which contains 35-40% of fly ash and moisture and a considerably lower calorific value. Lower fly-ash also saves additional disposal cost for its users. Captive power plants in textiles, metals, auto, cement and chemical industry remain key importers of thermal coal. Total captive thermal (coal-based) capacity of 29 GW would continue to import coal for their power requirements for the above-mentioned reasons.

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Power deficit remains range-bound

The peak and base demand deficit during April-January 2019 period continued to remain range bound with a maximum gap of around 1.4% in July.

Peak and Base Deficit



(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

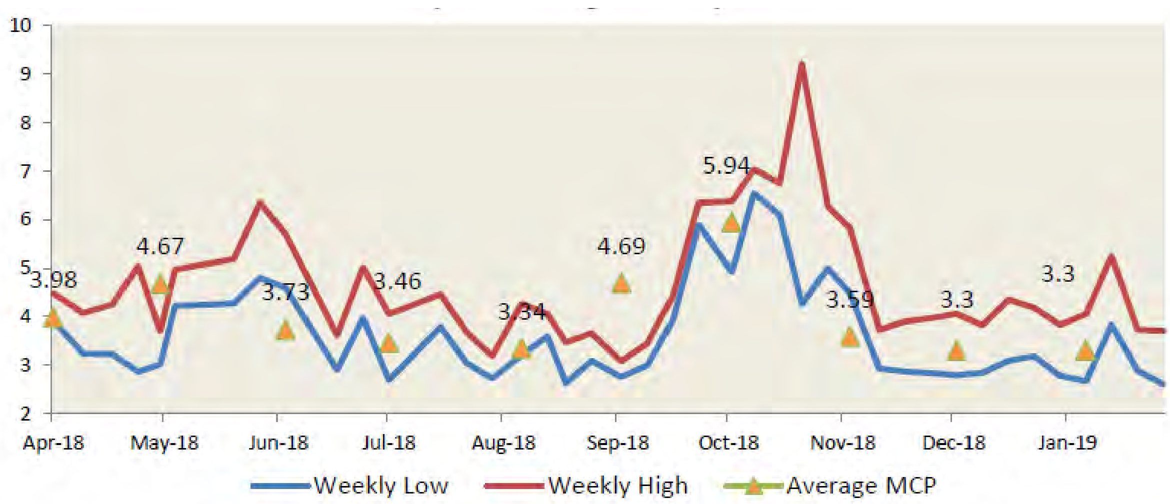
The demand-supply shortfall has been consistently contracting post October 2017. Post integration of regional grids, the demand-supply constraint in the country has remained considerably low at 0.5-1.2%. With major improvement in electrification, the demand may spike during peak summer seasons and having enough transmission capacity would be vital to cater to that demand and containing power deficit. Investments in grid strengthening will have to be increased considerably as more renewable energy capacity is added.

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Spot-market tariff trends

Share of short-term power market has increased to 12.3% from 10% reported a year ago. Exchanges account for 4.4% of the total power purchase transactions and 36% of the short term power market transactions in India. Share of exchange traded power has remained steady during the year. 87.7% of the total power purchase transactions in India are through PPAs (long term from 3 to 25 years).

Exchange traded power tariff trend



Source: IEX (Spot Market Prices- Market Data) in Rs. Per unit (kWh) MCP- Market Clearing Price

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

States namely Andhra Pradesh, Bihar, Rajasthan, MP, Gujarat, Maharashtra and Odisha were largest buyers of power from exchanges. "Saubhagya" or Power for all scheme could be attributed much of this apart from increased industrial activity in some of these states.

As per IEX, the overall electricity peak and energy demand grew by 8% and 6.2% respectively in 9MFY19 over 9MFY18. This growth in demand has led to higher growth (~20%) in volume of electricity traded on exchanges during the same period. Tariffs remained volatile between Apr-Feb 2019 on the power exchanges with September & October period witnessing record spike in short term tariffs. Shortfall in supply of coal was attributed as the key driver of tariffs apart from unforeseen demand from some Southern states and industries. This temporary increase in power tariffs on exchanges also negatively impacts the financials of state discoms who continue to supply power at subsidized prices to few user segments. Major industrial buyers included textile, metal, auto, chemical, cement etc.

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

States with power deficit

States with high power deficit include Jammu & Kashmir, Chhattisgarh, Uttar Pradesh and Puducherry. J&K and UP witnessed rapid electrification of households under "Saubhagya" Scheme. AT&C losses remained steady at 19.8% vs. 20% in 2017-18. High AT&C losses highlight slippage in implementation of operational objectives of UDAY scheme which targeted achieving 15% AT&C losses by March 2019. Smart metering of lines stood at 5.34 lakh, less than 2.2% of the total targeted 24.1 million meters. Smart metering was expected to improve collection efficiency by minimising human intervention as well as help consumers optimize use of electricity during peak demand hours.

(Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

AT&T Losses Post "Saubhagya"

State	Electrified Households (May '18)	AT & C Loss May 2018	AT & C Loss March 2019
Jammu and Kashmir	80%	57.4%	52.3%
Chhattisgarh	91%	22.3%	30%
Jharkhand	48%	36.3%	34.6%
Bihar	75%	36.8%	36.3%
Uttar Pradesh	57%	31.2%	31.2%
Madhya Pradesh	86%	31.7%	26.2%
Rajasthan	79%	24.5%	24.1%

Source: CEA, UDAY Website (Source: CARE Ratings Limited - Power Sector Year-End FY19 Report)

Energy Outlook Financial Year 2020

Coal

Production

Domestic coal production grew by 7.3% to 739.4 million tonne (MMT) during FY19 vs 2.6% growth in FY18. Coal imports stood at 240.2 MMT grew at a much sharper pace of 12.9% in FY19 vs 8.9% recorded in FY18. Higher imports of coal was triggered by shortage in supply of domestic coal to captive and non-power coal consumers like cement, metals and other power intensive industries.

Coal Production and Imports

(in million tonnes)	2017-18	Growth (YOY)	2018-19	Growth (YOY)
Total Coal Production	688.8	2.6%	739.4	7.3%
CIL & SCCL	629.4	2.3%	671.3	6.7%
- Overall Offtake	644.9	6.8%	675.8	4.8%
- Dispatch to Power	507.7	6.4%	543.4	7.0%
Coal Import	213	8.9%	240.2	12.9%

Source: Ministry of Coal, CMIE (Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

The overall coal offtake from the state-run miners continued to be higher than the annual production, second year in a row. Offtake in FY18 was 2.5% more than production and in FY19 it is marginally higher (0.7%). State miners namely Coal India Limited and Singareni Collieries Limited continued to account for ~91% of the coal produced in the country. Rest of the coal is produced by captive coal mines of power plants. Dispatch to power sector has grown at 7% in FY19 vs 6.4% in FY18. The supply of coal to thermal power plants in the country has improved in FY19 vs FY18 but supply-chain constraints persist.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

E-Auctions

E-auctions continued to fall which in turn was substituted by imported coal by power intensive industries like steel, cement, chemicals etc.

E-Auctions

(in million tonnes)	**2017-18**	**Growth (YOY)**	**2018-19**	**Growth (YOY)**
Spot- E auction	55.2	2.8%	34.3	**-37.7%**
E-Auction for Power	28.9	**- 38.7%**	27.1	**-6.2%**
E-Auction for Non-Power	11.1	76.2%	11.4	2.7%

Source: Ministry of Coal (Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Spot E-auctions recorded the highest drop of 38.7% during FY19 and e-auction for the power sector too dropped by 6.2%. E-auction for non-power consumers increased marginally to 2.7%.

Import of coal continued to grow at a healthy pace during the year. Power and manufacturing industries like cement and metals were major importers of thermal coal. Cement production clocked a multi-year high of 13.3% volume growth in FY19.

Steam Coal which is used by both captive and non-captive thermal power plants grew by 14.4% during April-Feb 2019 vs 6.2% in the corresponding period of the previous year.

Coking coal which is key raw material for manufacturing steel is imported due to limited availability of good quality coking coal in India. Coking coal imports grew by 12.3% during April-Feb 2019 vs 10.8% in the corresponding period of the previous year.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Coal prices

Global coal prices have declined during H2FY19 after having peaking in the first half of the financial year. A host of factors including global decline in coal-power projects and increase in production of coal in China- which is the largest coal consumer globally has led to steady decline in coal prices across key coal producing markets.

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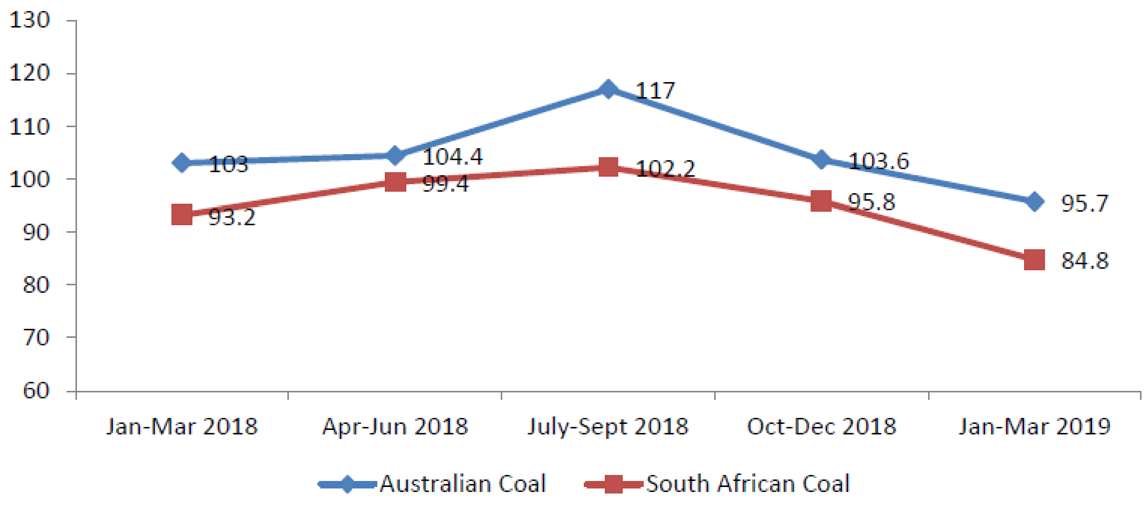
Global Coal Prices (in US$/tonne)



Source: World Bank

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

The fall in global coal prices augurs well for the power sector as well as other power intensive industries like cement.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Outlook for Coal

Coal production is expected to remain steady with total production expected to grow by 6-7% during FY20. Coal production may improve on account of miners focusing on surface mining of coal instead of underground mining which would also help them in containing costs and improve productivity.

Coal imports (includes both steam and coking coal) are expected to grow by 8-10% during the year as demand from power sector as well as power intensive industries like cement and metals is expected to sustain during FY20.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Natural Gas

Domestic Natural Gas production, consumption and imports during 2018-19: Domestic natural gas output has increased marginally by 1% during FY19. Increase in production can be mainly attributed to the increase in production from fields operated by ONGC. During the year, ONGC has contributed around 75% of the total domestic output whereas Oil India and Pvt/JV fields have contributed around 8% and 16% respectively. A major part of the domestic natural gas production is from the offshore fields (78%). The remaining 22% of the production is from the onshore fields (with Assam/Arunachal Pradesh being the leading states followed by Gujarat).

Increase in LNG prices has led to an increase in imports by only 2.6% as compared with an increase in imports by 6.7% the previous fiscal. India has imported LNG mainly from Qatar (49%), Nigeria (12%), Angola (7%), USA (6%), Oman (6%) and Australia (6%).

Import dependency based on consumption during FY19 has been around 45.7% as compared with being 45.3% during the previous year. Consumption of natural gas has remained stable at 1.7% as higher imported gas prices limited demand from the power sector and other industries. Stagnancy in fertilizer production also restricted an incremental increase Natural gas is used as a fuel (energy) and as a feedstock (non-energy) by the respective end user industries. Demand for natural gas in the domestic market is largely dependent on the fertilizer (28%), power (23%), CGD entities (16%), refinery (12%) and petrochemicals (8%) industries.

Domestic Production, Consumption and Imports of Natural Gas (BCM)

Production*		Change (%)	Consumption**	Change (%)	Imports (LNG)	Change (%)
2017-18	31.7	2.9%	58.1	4.5%	26.3	6.7%
2018-19	32.1	1.0%	59.1	1.7%	27.0	2.6%

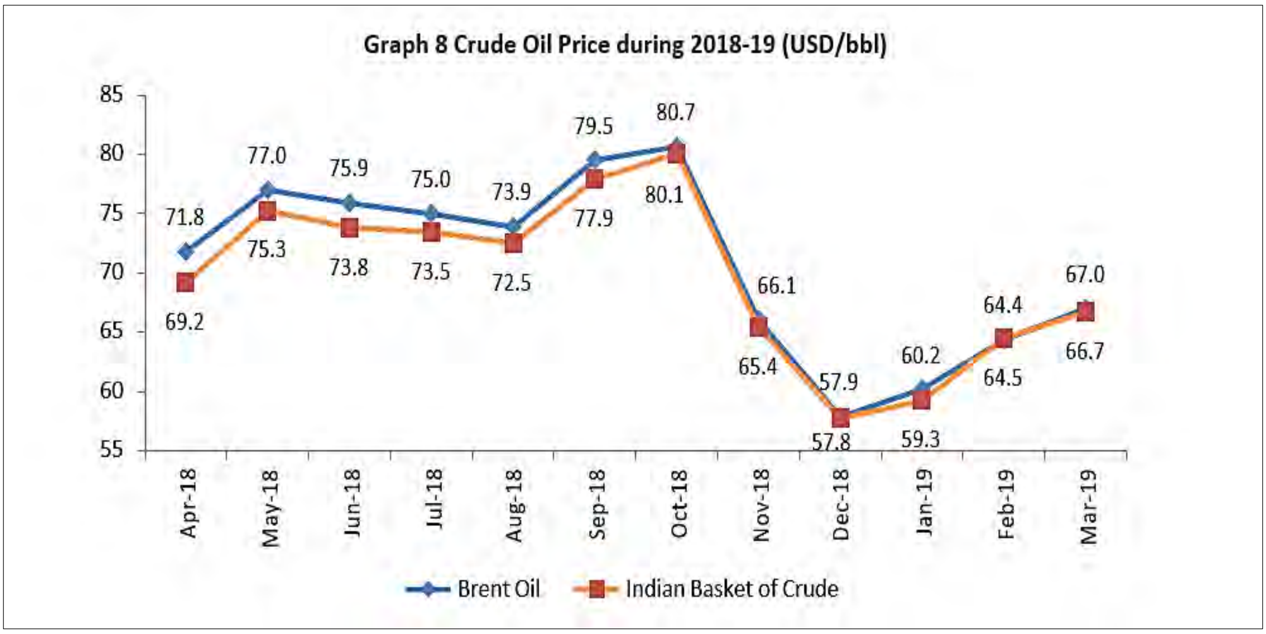
Source: PPAC

*The production numbers are net production figures which is gross production less flare and loss by gas producing companies

**Includes internal consumption

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Natural Gas Price Trend during 2018-19



(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

As per the New Domestic Gas Policy, the government revises the domestic natural gas price every six months i.e. April-September and October-March. During H1-FY19 price for gas produced from local fields was USD 3.06/mmBtu and during H2-FY19 it was increased to USD 3.36/mmBtu.

Currently (H1-FY20) the price for gas produced from local fields is USD 3.69/mmBtu a 9.8% increase from USD 3.36/mmBtu. Henry Hub prices rose sharply during November as natural gas inventories were at their lowest levels for October since 2010. The anticipation of a colder than expected winter contributed to the increase in natural gas price by 24.7% during November 2018 on an m-o-m basis in the US markets.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

Outlook for Natural Gas

Domestic natural gas production (gross) has picked up by 2.4% and 0.7% during FY18 and FY19 after a continuous decline in its production since FY11. In the new fiscal year, it is expected that the gross production of domestic natural gas is to pick up by 3.1% and reach the level of 33.9 BCM during FY20. Gross Production during FY19 was 32.9 BCM.

Increase in natural gas prices by 9.8% to USD 3.69/mmBtu has made it viable for companies to undertake field development activities. Favourable reforms such as the policy framework to promote and incentivize enhanced recovery methods, liberalizing exploration and production of oil and gas blocks, simplifying the approval processes and removal of sharing of revenue with the government (In the less prospective Category II and Category III basins unless there is windfall gain) will help prompt exploration in gas fields. Natural Gas satisfies most of the fuel requirements in a modern day industrial society, being efficient, non-polluting and relatively economical. The periodic uncertainties and volatility in both the price and supply of oil have also helped natural gas emerge as a major fuel in the energy basket across countries. India plans to increase its gas usage in the energy mix to 15% from the current 6.2%. The world average of gas use in the total energy consumption is 24%.

It is expected that the demand of Natural Gas is to grow by 7.1% and reach the level of 63.3 BCM by the end of FY20. Domestic natural gas consumption during FY19 was 59.1 BCM. The demand of natural gas in India is likely to depict a strong growth with major demand expected from the CGD and fertilizers sectors. The commissioning of the Ramagundam unit of FCIL by FY20 will necessitate the usage of natural gas (for the production of urea and ammonia). The CGD sector is growing at a fast pace and with the development of the CGD network (CNG refueling stations and PNG pipelines) across the country, the usage of natural gas is expected to grow at a faster pace. During FY19, addition in the CNG refueling stations grew by 21.4% and PNG connections grew by 18.2%. Development of the green corridor by setting up of CNG stations on National Highways/State Highways will also increase the consumption of natural gas.

Imports of natural gas in the form of LNG are to continue to grow to the extent of plugging in the structural gap between gas demand and domestic production. It is expected that LNG imports to be around 29.4 BCM by the end of FY20 registering an 8.8% growth rate from its FY19 level. Most of the pipelines and R-LNG terminals are to start operations in FY20 thus facilitating the circulation and abetting in the improvement of the natural gas infrastructure which should diminish the disparity between the supply of gas to its end users in all parts of the country. Commissioning of the Ennore and Mundra terminal will result in an incremental capacity of 10 MMTPA, thus augmenting the country's LNG handling capacity. Pipeline infrastructure expansion in East, North-East and Southern regions is in synchronization with expanding and developing of the national gas grid.

(Source: CARE Ratings Limited – Energy Outlook – FY20 Report)

OUR BUSINESS

BUSINESS

In this section, unless the context otherwise requires, a reference to "the Company" or "we", "us" or "our Company" is a reference to Power Finance Corporation Limited and unless the context otherwise requires, a reference to "the PFC Group" refers to Power Finance Corporation Limited and its Subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis. Unless stated otherwise, the financial data in this section is as per our standalone financial information.

On March 28, 2019, our Company has acquired a 52.63% equity stake in REC Limited from GoI. Accordingly, our consolidated financial statements for the financial year ended March 31, 2019 include the financial results of REC Limited. However, these consolidated financial statements may not be comparable with our consolidated financial statements for prior periods, on account of the relatively large contribution of REC Limited to our consolidated financial results for Fiscal 2019.

OVERVIEW

Our Company is one of the leading financial institutions in India, focused on the power sector. Our Company plays a strategic role in the initiatives of the GoI for the development of the power sector in India and works with GoI agencies, state governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and for structural and procedural reforms in the power sector in India. In addition, our Company is involved in various GoI programs relating to the power sector, including acting as the nodal agency for the UMPP program and the IPDS/R-APDRP (now subsumed under the IPDS).

Our Company provides a comprehensive range of financial products and other services to our clients in the power sector, including:

- services ranging from project conceptualization to the post-commissioning stage, including generation (conventional and renewable), transmission and distribution projects, and related renovation and modernization projects;
- various forms of fund-based assistance, including long-term project finance, short-term loans, buyers' lines of credit, underwriting of debt and debt refinancing schemes; and
- various forms of non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort.

The focus areas of our Company have been strategically expanded to include projects that represent forward and backward linkages to core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development. We also fund power trading initiatives.

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) "CRISIL AAA/Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 25,000 crore, (ii) ICRA has granted us (a) "[ICRA]AAA(Stable)" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "[ICRA]A1+" rating for our short term borrowing programme, for a limit of ₹ 25,000 crore, and (iii) CARE has granted us (a) "CARE AAA; Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 7,000 crore. International credit rating agencies Moody's, Fitch and Standard & Poor's (S&P) have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of "Baa3", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Stable" and (iii) Standard & Poor's (S&P) has granted long-term issuer credit rating "BBB-/ Stable".

Our Company is a listed GoI company and a public financial institution under the Companies Act, 2013. Our Company is registered with the RBI as a non-deposit taking systemically important NBFC, and was classified as an IFC on July 28, 2010. We believe that our NBFC and IFC classifications enable us to effectively capitalize on available financing opportunities in the Indian power sector. In addition, as a GoI-owned NBFC, loans made by our Company to central and state entities in the power sector are exempt from the RBI's Concentration of Credit (exposure) norms that are until March 31, 2022. We believe that the classification of our Company as an IFC enhances our ability to raise funds on a cost-competitive basis (including through issuance of Rupee-denominated infrastructure bonds, with the approval of GoI, that offer certain tax benefits to the bondholders), and increases our lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not IFCs.

Our Company was granted the "*Navratna*" status by the GoI in 2007, and has received an "Excellent" rating from the GoI in each of the fiscal years beginning from Fiscal 2007. The assessment for Fiscal 2019 is ongoing.

Some of the key awards and recognitions received by our Company are:

- CBIP Award 2019 for 'Best Power Finance Company';
- 6th Governance Now Best PSU Award (Navratna) – 2019;
- Rajbhasha Kirti Pratham Puraskar Award (in category of Region 'A');
- Construction Industry Development Council's (CIDC's) "Partners in Progress" Trophy for the year 2018;
- Amar Ujala "CSR Award" in 2018;
- First Prize in "Annual Report" category for Fiscal 2017 at the SCOPE CC Awards;
- One Globe Award for Excellence in Enabling a Mobile Economy for the URJA application at the 6th Annual One Globe Forum (2017);
- featured in the 2017 Fortune India 500, a list of India's largest corporations;
- Dun & Bradstreet "India's Leading NBFC (2019) Award" in the "Infrastructure Financing";
- Dun & Bradstreet (D&B) Award for Best PSU in 'Financial Services';
- SCOPE Gold Trophy for Good Corporate Governance", 2017; and
- Winner, Financial Services – NBFC category at the 2016 Dainik Bhaskar India Pride PSU Awards.

Key Ratios (according to IND AS)

Certain key ratios of our Company as per Ind AS, are as follows:

Particulars	FY 17-18	FY 18-19
Yield on interest bearing loan assets (%)	10.64	10.62
Cost of Funds (%)	8.21	7.95
Interest Spread (%)	2.43	2.67
Net Interest Margin (%)	3.47	3.37
Return on net worth (%)	12.12	17.33
Earnings per share (annualized) (Face value of ₹ 10 per share)	22.18	26.25
Book value per share (Face value of ₹ 10 per share)	139.98	163.96

Yield = Ratio of interest income to average interest earning loan assets.
Cost of funds = Ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized.
Interest spread = Yield minus cost of funds.
Net interest margin = Ratio of net interest income, without foreign exchange fluctuation gain/loss amortized to average interest earning loan assets.
Return on average net worth = Ratio of PAT to average net worth.

KEY OPERATIONAL AND FINANCIAL PARAMETERS

A summary of the key operational and financial parameters for the last three completed financial years of the Company, which comprises: (a) key operational and financial parameters for Fiscal 2019 and 2018 as per Ind AS and (b) key operational and financial parameters for Fiscal 2018 and 2017 as per Indian GAAP, are as under:

(₹ in crore, except for % figures)

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2019	2018	2019	2018
	IND AS	IND AS	IND AS	IND AS
Net worth	47,121.25	39,834.53	43,287.99	36,956.15
Total Debt at Amortised Cost	5,39,487.53	4,41,151.36	2,95,238.72	2,36,784.72
Other Financial Liabilities	24,574.28	24,607.41	5,327.84	5,393.19
Derivative Financial Instruments (Liabilities)	664.99	558.43	505.59	240.68
Other Non-Financial Liabilities	209.95	230.07	495.55	533.71

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2019	2018	2019	2018
	IND AS	IND AS	IND AS	IND AS
Property, Plant & Equipment & Intangibles (including CWIP)	394.16	290.12	28.33	26.97
Investment Property	0.01	0.01	-	-
Cash and Cash Equivalents and Other Bank Balances	16,331.44	2,849.31	14,155.01	553.20
Derivative Financial Instruments (Assets)	2,370.56	919.47	567.98	229.09
Investments	4,603.77	5,492.51	16,586.20	2,520.04
Loans (Assets)	5,73,661.28	4,94,889.63	3,03,210.36	2,66,011.38
Other financial assets	23,761.47	9,662.57	5,376.40	5,276.91
Other non-financial assets	393.50	338.55	242.09	235.48
Current and Deferred Tax Assets (s)	7,295.64	7,935.86	4,689.32	5,055.38
Interest Income	53,435.70	47,677.22	28,440.97	25,562.03
Dividend and Fee Commission Income	450.74	659.11	316.05	413.82
Other Income	270.39	309.09	9.29	4.40
Finance Costs	34,620.96	30,288.83	18,981.76	16,955.89
Fees and Commission Expense	44.47	33.16	10.09	8.58
Net translation/ transaction exchange loss	1,041.42	232.47	520.23	213.10
Impairment on financial instruments	(625.73)	4,693.23	(871.48)	2,391.01
Other Expenses Including Employee benefits expense, CSR, Depreciation	994.39	873.08	394.90	373.37
Net loss on fair value changes	263.54	766.56	(84.98)	193.19
Share of Profit in JV and Associates	44.25	21.35	-	-
Tax Expenses	5,221.76	2,982.75	2,862.87	1,458.34
Profit for the Period	12,640.27	8,796.69	6,952.92	4,386.77
Other Comprehensive Income/Loss net of Tax	(267.75)	(316.09)	(206.97)	(323.74)
Total Comprehensive Income	12,372.52	8,480.60	6,745.95	4,063.03
Gross Stage 3 Assets (%) [(1)]	8.37%	8.49%	9.39%	9.63%
Net Stage 3 Assets (%) [(2)]	4.43%	4.34%	4.85%	4.82%
Tier I Capital Adequacy Ratio (%)	12.40%	Refer Note (3)	11.73%	14.04%
Tier II Capital Adequacy Ratio (%)	4.38%	Refer Note (3)	5.36%	3.08%

Notes:

(1) Gross Stage 3 Assets (%) = Gross stage 3 loans / Gross loans

(2) Net Stage 3 Assets (%) = Net stage 3 loans / Net loans

(3) As REC Limited was acquired on March 28, 2019, it was not a subsidiary of our Company as on March 31, 2018. Therefore, consolidated Tier I and Tier II Capital Adequacy Ratio as on March 31, 2018 have not been disclosed.

(₹ in crore, except for % figures)

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2018	2017	2018	2017
	IGAAP	IGAAP	IGAAP	IGAAP
Net worth	40,201.74	36,844.91	39,860.67	36,470.21
Total Debt of which –	2,30,310.42	2,02,992.74	2,29,538.35	2,02,588.04
Non-Current Maturities of Long Term Borrowing	1,92,054.48	1,75,103.36	1,91,498.68	1,74,841.36
Short Term Borrowing	7,126.10	2,543.48	6,924.74	2,400.79
Current Maturities of Long Term Borrowing	31,129.84	25,345.90	31,114.93	25,345.89
Net Fixed Assets	782.06	401.82	64.83	62.57

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2018	2017	2018	2017
	IGAAP	IGAAP	IGAAP	IGAAP
Non-Current Assets other than Fixed Assets	2,42,350.13	2,08,484.96	2,41,977.84	2,08,167.10
Cash and cash Equivalents and Bank Balance	780.54	3,792.83	553.20	3,573.15
Current Investments	1,070.78	1,325.67	1,070.76	1,325.53
Current Assets except Cash & Bank Balances, Investments	43,191.52	45,532.20	42,798.54	45,333.10
Current Liabilities (other than Short term borrowings and current maturity of Long Term Borrowing)	9,182.86	10,642.05	8,601.61	10,347.28
Interest Income	25,870.01	26,333.11	25,820.86	26,270.08
Finance Costs	17,541.41	16,767.64	17,204.85	16,432.69
Provisioning and write-offs	570.02	5,112.33	560.83	5,101.08
PAT	5,844.11	2,236.10	5,855.22	2,126.39
Gross NPA (%)	9.57	12.50	9.57	12.50
Net NPA (%)	7.55	10.55	7.55	10.55
Tier I Capital Adequacy Ratio (%)	17.11	16.33	16.98	16.20
Tier II Capital Adequacy Ratio (%)	3.01	3.08	3.01	3.08
Total Loan Assets (net)	2,73,223.12	2,40,545.92	2,72,812.16	2,40,169.02
Capital Adequacy ratio (%)	20.12	19.41	19.99	19.28
Return on Net Worth (average)	15.17%	6.14%	15.35%	5.89%
Debt equity ratio (times)	5.73	5.51	5.76	5.55
Total Assets	2,88,175.03	2,59,537.48	2,86,465.17	2,58,465.17
Return on Total Assets (Average)	2.13%	0.88%	2.15%	0.84%

Debt – Equity Ratio (Outstanding Borrowings / Net Worth)

Parameters	Standalone Basis
Before the Issue (As on June 30, 2019)	6.28
After the Issue of NCDs*	6.50

** Post-Issue Debt-Equity ratio is considering the issue size of ₹ 10,000 crore.*

For further details, please see "*Capital Structure - Debt-Equity ratio*" on page 53.

COMPETITIVE STRENGTHS

We believe that the following are our principal strengths:

Comprehensive financial assistance platform focused on the Indian power sector

We provide a comprehensive range of financial products and related advisory and other services to our clients in the power sector, ranging from project conceptualization to the post-commissioning stage, including generation (conventional and renewable), transmission and distribution projects, as well as related renovation and modernization projects.

We also provide clients with fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary, PFC Consulting Limited. Further, we provide various forms of fund-based assistance, including but not limited to long term project finance, short-term loans, buyers' lines of credit, bridge loans, corporate loans, and debt refinancing schemes, in addition to non-fund based assistance including default payment guarantees and letters of comfort. Our knowledge in the domain of project finance has helped us in strategically expanding our focus areas to include projects that represent forward and backward linkages to core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects, and related infrastructure development.

Further, during Fiscal 2019, our Company acquired 52.63% of the shareholding held by GoI in REC Limited ("**REC**"). By virtue of this acquisition, PFC has become the holding company of REC. REC is also engaged in extending financial assistance to the power sector and is a Systemically Important (Non Deposit Taking) Non-Banking Finance Company ("**NBFC**") registered with RBI, and is also registered with RBI as an IFC. We believe that the acquisition of REC has presented our Company with a significant inorganic growth opportunity, and may help us enhance our product portfolio, de-risk our revenue base, achieve economies of scale, as well as deploy investible funds.

Strategic role in GoI initiatives, and established relationships with power sector participants

We have played a strategic role in the GoI's initiatives for the promotion and development of the power sector in India for more than two decades. We have been involved in the development and implementation of various policies and of structural and procedural reforms in the power sector in India. We have been involved in various GoI programmes for the power sector, including acting as the nodal agency for the UMPP and the IPDS / R- APDRP, and as a bid process coordinator for the ITP scheme.

As a result, we believe we have developed strong working relationships with the Central and the State Governments, various regulatory authorities, significant power sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the power sector. We believe that our experience in implementing Government policies and programs provide us with industry knowledge that enables us to leverage our project risk assessment capabilities to effectively evaluate projects, structure appropriate financing solutions, develop effective loan disbursement and project monitoring methodologies, as well as provide related advisory services. We believe that this unique positioning enables us to leverage our power sector knowledge, our existing client base and continuing relationships with Government agencies and instrumentalities to be a preferred financing provider for the power sector in India.

Operational flexibility to capitalize on both fund raising and lending opportunities

We are registered with the RBI as an NBFC and have also been classified as an IFC which enables us to be operationally more flexible and effectively capitalize on available financing opportunities.

As an NBFC, we are governed by regulations and policies that are generally less stringent than those applicable to commercial banks, including with respect to liquidity requirements and the requirement to hold a significant portion of funds in relatively low yield assets, such as Government securities and other approved securities and cash reserves.

Prudential norms are generally set out and enforced by the RBI. The norms, among others, define and set out asset classification, income recognition and credit concentration. We adhere to the RBI-notified Prudential Norms for "Systemically Important Non-Banking Financial (Non-Deposit Taking) Companies", the latest norms being those issued by the RBI's NBFC-ND Master Directions dated September 1, 2016, and as amended from time to time. These norms were implemented, subject to exemption available from the RBI on credit concentration for exposure to central /state government entities, up to March 31, 2022. Presently, we follow the Ministry of Power's approved credit concentration norms for state/ central entities.

In July, 2010, our Company was classified as an IFC, a distinct category of NBFCs that is primarily engaged in infrastructure financing. We believe our classification as an IFC enables us to increase lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not IFCs. We also believe that this results in significant competitive advantages in providing project financing for large, long-gestation power sector projects. For example, an IFC is entitled to lend up to 25.00% of its owned funds to a single borrower in the infrastructure sector, compared to 20.00% of owned funds by other NBFCs categorized as a "loan company". As an IFC, our Company is also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs up to U.S.$ 75.00 crore each fiscal year, while having to maintain CRAR of 15.00% (with a minimum Tier I capital of 10.00%). For further information relating to the IFC category of NBFCs, see "*Regulations and Policies*" on page 107.

Favorable credit rating and access to various cost-competitive sources of funds

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) "CRISIL AAA/Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 25,000 crore, (ii) ICRA has granted us (a) "[ICRA]AAA(Stable)" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "[ICRA]A1+" rating for our short term borrowing programme, for a limit of ₹ 25,000 crore, and (iii) CARE has granted us (a) "CARE AAA; Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 56,000 crore, and (b) "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 7,000 crore. International credit rating agencies Moody's, Fitch and Standard & Poor's (S&P) have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of "Baa3", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Stable" and (iii) Standard & Poor's (S&P) has granted long-term issuer credit rating "BBB-/ Stable".

We believe that our financial strength and favorable credit ratings facilitate access to various cost competitive funding options. Our borrowings reflect various sources, maturities and currencies; and include bonds, term loans and commercial paper. As an IFC, we can diversify borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits and tax exemption on interest to the bondholders, with the approval of the GoI. Furthermore, subject to certain conditions, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs up to U.S.$ 75.00 crore each fiscal year. We also have access to various international funding sources including the Asian Development Bank and KfW Development Bank. Our cost of funds in Fiscals 2017, 2018 and 2019 was 8.41%, 8.21% and 7.95%, respectively, which we believe is competitive.

Historically, most of our borrowings have been on an unsecured basis.

Comprehensive credit appraisal and risk management policies and procedures

We believe we have developed extensive knowledge of, and experience in, the Indian power sector. We believe we have comprehensive credit appraisal policies and procedures, which enable us to effectively appraise and extend financial assistance to various power sector projects. We believe we follow a systematic institutional and project appraisal process to assess and mitigate project and credit risk. We believe our internal processes and credit review mechanisms reduce the number of defaults on our loans and contribute to our profitability.

We believe that our comprehensive credit appraisal and project monitoring processes also result in strong collection and recovery. As of March 31, 2019, 93.81% of our outstanding loans to Central and State sector borrowers provide for an escrow mechanism, which ensures that in case of default in payment of dues to us by such borrowers, the escrow agent is required to make available the default amount to us on demand. As of March 31, 2019, our Stage 3 category assets were ₹ 29,540.31 crore, which represented 9.39% of our total loan assets as of such date.

Track record of consistent financial performance and growth

We believe that we have a track record of consistent financial performance and growth, which enables us to capitalize on attractive financing opportunities in the Indian power sector. Our total loan assets increased from ₹ 2,78,914.76 crore as of March 31, 2018 to ₹ 3,14,666.93 crore as of March 31, 2019. In addition, our loan asset portfolio has increasingly diversified by sector and customer base. As of March 31, 2019, 82.96% of our total loan assets related to government sector borrowers, while 17.04% related to private sector borrowers. As of March 31, 2019, 70.86%, 8.09%, 20.06% and 0.99% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, short-term loans, buyer lines of credit, studies and funding of regulatory assets), respectively. As of March 31, 2019, our top five, ten and twenty borrowers represented 26.97%, 41.34% and 59.83%, respectively, of our total loan assets.

Our total income increased from ₹ 27,018.57 crore in Fiscal 2017 to ₹ 28,851.29 crore in Fiscal 2019, and our profit after tax increased from ₹ 2,126.39 crore to ₹ 6,952.92 crore in the same period. Our RoA and RoNW were 2.23% and 17.33%, respectively, in Fiscal 2019, while NIM was 3.37% (on earning assets) in the same period.

As of March 31, 2019, our net worth was ₹ 43,287.99 crore, while our capital adequacy ratio was 17.09%.

Experienced and committed management and employee base with in-depth sector knowledge

We have an experienced, qualified and committed management and employee base. Many of our employees, particularly senior management, have considerable knowledge of the power sector in India. We believe we have an efficient and lean organizational structure relative to the size of our operations and profitability. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our Company and encouraging the development of their skills.

Our management has significant experience and knowledge in the power sector and the financial services industry, which has enabled us to develop a comprehensive and effective project appraisal process, implement a risk management framework, identify specific requirements of power sector projects, and offer comprehensive financing solutions and advisory assistance to such projects. The experience of our management has enabled us to successfully identify attractive financing opportunities. We believe that our experienced management team has been the key to our success and will enable us to capitalize on future growth opportunities.

STRATEGIES

Continue to leverage industry knowledge and relationships to capitalize on the expected growth in the Indian power sector

We intend to continue to leverage our industry experience and relationships to provide comprehensive financing solutions for power sector projects in India. The Indian power sector has historically been characterized by power shortages and relatively low per capita consumption. Consequently, the GoI has prioritized investment in the power sector in a number of ways, including through: (a) the implementation of the Electricity Act in June, 2003, to address the systemic deficiencies in the Indian power sector and to attract capital for large-scale power projects; (b) the notification of the National Electricity Policy in February, 2005, to accelerate the development of the power sector; (c) the implementation of the RGGVY from April, 2005; (d) the launch of the DDUGJY scheme (under which the RGGVY scheme is subsumed) to increase the pace of rural electrification and to provide access to electricity to all Indian rural households; (e) the launch of the IPDS in urban areas to strengthen the sub-transmission and distribution network; (f) the metering of feeders and distribution transformers to reduce systems in India's transmission and distribution infrastructure, and (g) the Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya, to achieve 'Universal Household Electrification' in the country. On the distribution reforms front, the GoI introduced the UDAY scheme to turn around Discoms in November, 2015. Although the continued prioritization of the power sector will need to be met by increased funding, there are various investment opportunities in this sector, including investment in power projects, power equipment manufacturing, wind and solar power, coal mining, natural gas, liquefied natural gas, gas pipelines, carbon trading and CDM projects. We intend to employ our industry knowledge and ability to develop, supervise and implement structured financial assistance packages based on specific operational and financial performance standards to assist otherwise financially weak SPUs and public sector projects and improve their financial position. We aim to continue to contribute to the development and implementation of GoI policies relating to the power sector in India and play an integral role in the supervision of the implementation of reforms by SPUs and GoI agencies.

Strategically expand business and service offerings

Consultancy and other fee-based services

We intend to continue to increase our focus on fee-based technical and consultancy services to SPUs, power distribution licensees, IPPs, public sector undertakings and SERCs. We also intend to continue to provide fee-based services for various GoI programs for the power sector in India, including acting as a nodal agency for UMPP and R-APDRP (now subsumed under the IPDS).

Debt Syndication

We intend to increase our focus on debt syndication activities in the power sector. We plan to continue to target debt syndication opportunities. We believe that our technical knowledge and industry experience, project appraisal capabilities, and relationship with commercial banks and other financial institutions enable us to ensure timely completion of such projects.

Broaden loan asset base and borrower profile

Private sector projects

As of March 31, 2017, 2018 and 2019, 17.14%, 18.21% and 17.04%, respectively, of our total loan assets were related to private sector projects. We intend to continue to provide financial assistance to private sector generation, transmission and distribution projects to further diversify our borrower profile.

Hydro projects and renewable energy

We intend to continue to focus on providing financial assistance to hydro projects to facilitate an optimal mix of thermal and hydro projects in our loan asset portfolio. We have extended loan repayment periods of state sector loans up to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects. The economic life of hydro projects is generally longer than other categories of power projects.

We believe that the renewable energy space in India provides significant untapped potential. Furthermore, the GoI has scaled-up the target for renewable energy capacity to 175,000 MW by the year 2022, which includes 100,000 MW from solar sources, 60,000 MW from wind sources, 10,000 MW from bio-power and 5,000 MW from small hydro sources. We have strategically increased our focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalize on the GoI's various renewable energy initiatives. These initiatives include certain minimum specified percentages of state distribution utilities' total power requirements required to be met from renewable energy sources and special tariffs for renewable energy projects.

We continue to provide financing for public and private sector renewable energy generation projects. Our total loan assets outstanding with regard to renewable energy projects aggregated ₹ 15,390.00 crore as of March 31, 2019. As of March 31, 2019, 4.89% of our total loan assets pertained to renewable energy projects.

Forward and backward linkages to core power sector projects

We have strategically expanded our focus areas to include projects that represent forward and backward linkages to power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects, related infrastructure development as well as power trading initiatives.

Capital equipment manufacturers

The Indian power sector requires augmentation of equipment manufacturing capacities for capital equipment for all segments of the power sector from generation to transmission and distribution. We intend to provide financial assistance to manufacturers of equipment used in the power sector, including transmission and distribution equipment as well as solar and wind energy generation equipment.

Fuel sources and related infrastructure development

The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including allocation of coal blocks to public and private sector entities as well as the development of related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects.

Continue to develop strategic partnerships and evaluate new business opportunities

We propose to continue to develop partnerships and alliances and evaluate new business opportunities related to the power sector in India. We are an equity shareholder in PTC, which is involved in power trading and related activities. In addition, we invested in the "Small is Beautiful" fund, a SEBI-registered venture capital fund that invests in power generation projects. We have also jointly promoted EESL with other GoI companies focused on the Indian power sector to develop energy efficient products and services and to provide consultancy services related to CDM, carbon markets and energy efficiency initiatives.

For details of our Joint Ventures and Subsidiaries, please refer to section titled "*History and Certain Corporate Matters*" on page 123.

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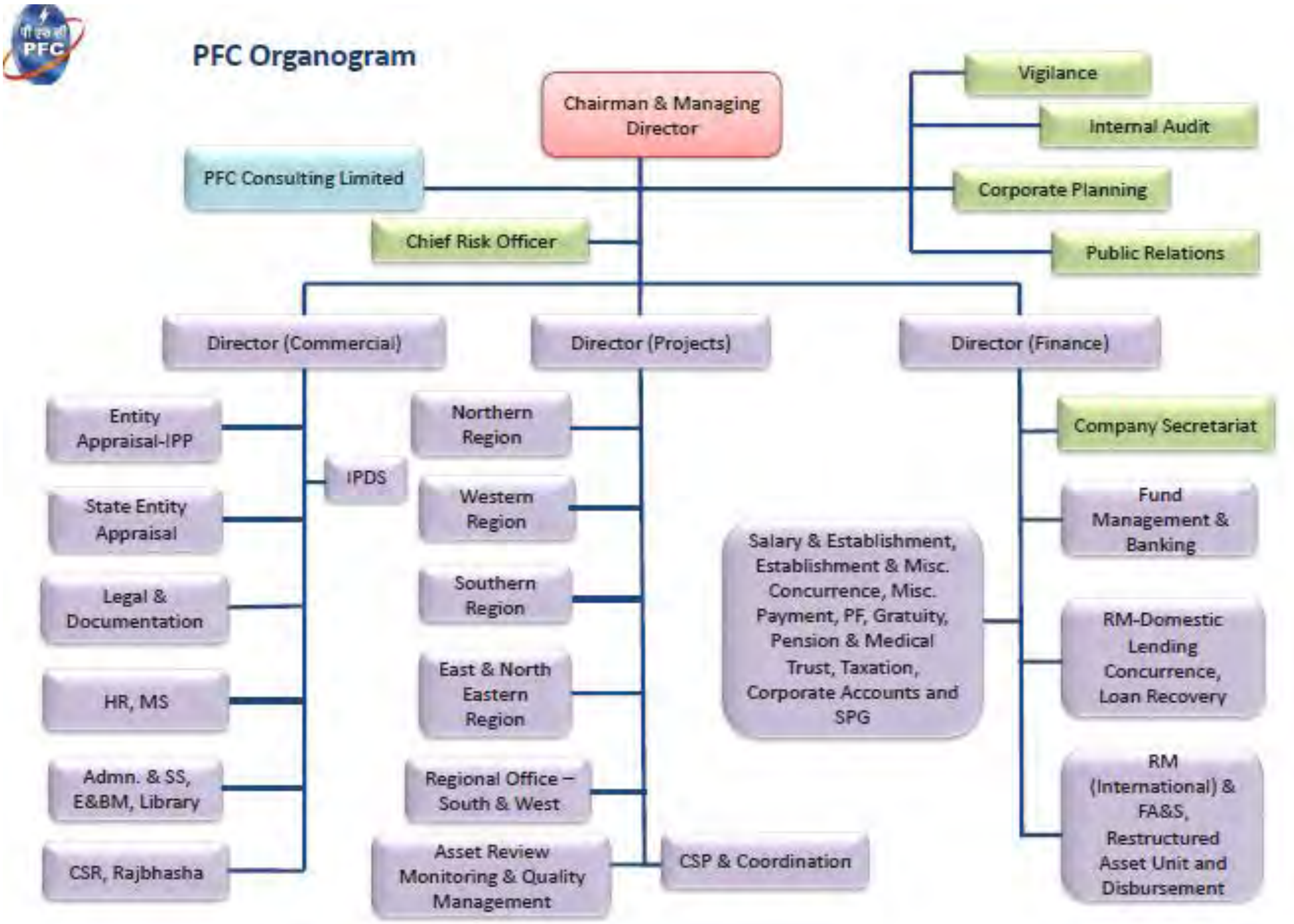
CORPORATE STRUCTURE

The following chart presents the corporate structure of our Company:



OUR MAJOR PRODUCTS

We provide a comprehensive range of fund-based and non-fund based assistance from project conceptualization to the post-commissioning stage to our clients in the power sector. Our fund-based assistance includes primarily project finance, short-term loans, buyers' lines of credit, bridge loans, corporate loans, and debt refinancing schemes. Non-fund based assistance includes primarily default payment guarantees and letters of comfort. Some of our key products are as set out below:

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Fund-Based

Our loan assets are presented as adjusted for any provisions for contingencies made in the respective Fiscals.

The following table sets forth certain information relating to our total loan assets as of the dates indicated:

(₹ in crore)

Particulars	As of March 31							
	2017		2018		2019		April 1, 2019 to June 30, 2019	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Rupee loans								
a) Term loans	2,39,160.66	97.41%	2,67,027.34	95.73%	3,01,447.03	95.79%	3,05,527.20	96.41%
b) Short term loans	6,104.49	2.49%	11,646.43	4.18%	12,978.91	4.13%	11,118.26	3.51%
Foreign currency loans	260.12	0.10%	240.99	0.09%	240.99	0.08%	240.99	0.08%
Total	**2,45,525.27**	**100.00%**	**2,78,914.76**	**100.00%**	**3,14,666.93**	**100.00%**	**3,16,886.45**	**100.00%**

The following table sets forth certain information relating to our total disbursements in the periods indicated:

(₹ in crore, except percentages)

Particulars	For the Fiscal						
	2017		2018		2019		April 1, 2019 to June 30, 2019
	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Term loans	54,043.73	86.06%	53,270.60	82.70%	55,276.89	81.68%	10,291.40
Short term loans	8,754.18	13.94%	11,143.23	17.30%	12,400.70	18.32%	175.00
Total	**62,797.91**	**100.00%**	**64,413.83**	**100.00%**	**67,677.59**	**100.00%**	**10,466.40**

Rupee Term Loans

Rupee term loans (which comprise Rupee long-term loans and Rupee short-term loans) accounted for 99.89%, 99.91% and 99.92% of our total loan assets as of March 31, 2017, 2018 and 2019, respectively. We generally disburse funds either directly to a supplier of project equipment or services or by way of a reimbursement to the borrower against satisfactory proof of eligible expenditure on the relevant project, or through a trust and retention account.

We generally implement security and quasi-security arrangements in relation to our Rupee term loans.

Our Rupee term loan financings are generally secured in the case of public sector clients, including state utilities, either through a charge on the project assets or by a state government guarantee, or both. In addition to such security or guarantee, most of our loans to central and state sector borrowers provide for an escrow mechanism. For private sector clients, our Rupee term loan financings are secured through, among other things, a first priority *pari passu* charge on the relevant project assets, collateral such as pledge of shares held by promoters and/or personal or corporate guarantees, as well as trust and retention account arrangements. For further information, see "— *Risk Management* — *Security Risk*" on page 94.

Interest rates on Rupee term loans are notified to the borrower from time to time. Typically, there is an option to select interest rates with a reset option after every three years or ten years. We believe that our comprehensive credit appraisal and project monitoring process, and ability to manage the security and repayment profiles of our loan assets, have resulted in strong collection and recovery.

Transitional loans. We also provide transitional financing to state sector distribution companies in specified states, as per applicable regulatory guidelines / limits, to meet any temporary liquidity shortfall they may experience due to various reasons such as non-adjustment of fuel surcharge, inadequate GoI support, cash or revenue gap, insufficient capacity addition or purchase of expensive power so as to provide the distribution companies with an opportunity to resolve their liquidity position over a specified period. We also provide financial support to newly formed power generating companies, transmission companies and distribution companies incorporated out of bifurcation or reorganization of a state in order to meet any liquidity shortfall experienced by such entities during their initial years due to various reasons, such as, inadequate cash flow, immediate payment requirements for purchase of fuel or power, or other revenue expenditure for the operation of the plant, transmission network or distribution network.

Debt refinancing scheme. Under this scheme, we assist borrowers, who have borrowed funds from other lending institutions at a higher rate of interest, to refinance their loans at a lower interest rate. The refinancing facility is available only for commissioned projects.

Funding of Regulatory Assets. We provide loans to distribution companies for the purpose of funding regulatory assets, as per applicable regulatory guidelines / limits. In order to be awarded a loan under this facility, the borrower needs to provide a state government guarantee and must have a business plan in place. Furthermore, the relevant SERC must specify certain conditions such as a time bound recovery plan and recovery of carrying cost of the regulatory assets, among others.

Corporate loans. We provide corporate loans to entities in the power sector, whether government or private, for the purpose of equity infusion into new power projects or for the acquisition of existing power projects including generation, transmission and distribution projects.

Loans to grid connected solar photovoltaic power generation projects. We provide loans to grid-connected solar photovoltaic power generation projects.

Short-term loans

We provide short-term loans to borrowers to meet their immediate funding requirements. Short-term loans accounted for 2.49%, 4.18% and 4.13% of our total loan assets as of March 31, 2017, 2018 and 2019, respectively. These loans are Rupee-denominated and primarily relate to the purchase of fuel for power plants, consumables, essential spares, emergency repair and maintenance of power plant and transmission and distribution infrastructure. Such short-term loans are also extended against receivables of the borrowers.

Other Fund-Based Assistance

Our product portfolio includes providing a comprehensive range of other fund-based assistance, including but not limited to providing financial assistance for purposes of computerization, studies, equipment manufacturing, loans against receivables, buyers' lines of credit and loans for renewable energy business, including renewable energy produced from biomass, bagasse and municipal waste.

Equipment lease financing. We provide lease financing to fund the purchase of major capital equipment and machinery essential for power sector projects and associated infrastructure projects. Equipment lease financing is extended to various core power sector projects, renewable energy projects and associated infrastructure development projects. Equipment lease financing may be provided for up to the entire cost of the relevant equipment.

Buyers' line of credit. We provide non-revolving Rupee lines of credit for power sector projects in connection with purchase of machinery, equipment and other capital goods (including accessories and spare parts) on a deferred payment basis.

Non-Fund Based

We also provide non-fund based assistance including default payment guarantees and letters of comfort.

Deferred Payment Guarantees. We issue guarantees on behalf of certain power sector projects to guarantee their payment obligations for the debt availed for such projects. As of March 31, 2019, the total amount of Rupee-denominated default payment guarantees issued by us amounted to ₹ 396.64 crore.

Letters of Comfort. We provide letters of comfort against our sanctioned term loans to enable borrowers to establish a letter of credit with their banks. The letter of comfort is issued only in cases where it is a prerequisite for EPC contracts or equipment supply contracts of projects financed by us. The letter of comfort is issued after all other pre-disbursement conditions have been complied with. As of March 31, 2019, we had outstanding letters of comfort aggregating ₹ 186.71 crore.

PROJECTS WE FUND

Our project financing activities have been focused primarily on thermal and hydro generation projects, including financing of renovation and modernization of existing thermal and hydroelectric plants. Transmission and distribution projects financed by us include system improvements and projects involving provision of shunt capacitors and meters. We also focus on the promotion and development of other energy sources, including alternate and renewable fuels. As of March 31, 2019, 70.86%, 8.09%, 20.06% and 0.99% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, computerization, funding of regulatory assets, equipment manufacturer loan, loan against receivables, short-term loans, buyer lines of credit, etc.), respectively.

We have strategically expanded our focus areas to include projects that represent forward and backward linkages to core power sector projects, including the procurement of capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development as well as power trading initiatives.

The following table provides state-wise information relating to our total loan assets as of March 31, 2019:

S. No.	State	Net outstanding (₹ in crore)
1.	Andhra Pradesh	31,772.21
2.	Assam	387.03
3.	Bihar	4,512.64
4.	Chhattisgarh	22,346.80
5.	Delhi	8,586.39
6.	Goa	24.08
7.	Gujarat	523.50
8.	Haryana	5,217.50
9.	Himachal Pradesh	1,276.03
10.	Jammu and Kashmir	2,610.10
11.	Jharkhand	2,867.89
12.	Karnataka	13,998.10
13.	Kerala	1,421.18
14.	Madhya Pradesh	22,217.45
15.	Maharashtra	25,261.42
16.	Meghalaya	1,046.95
17.	Nagaland	4.69
18.	Orissa	5,399.90
19.	Puducherry	31.02
20.	Punjab	5,870.05
21.	Rajasthan	35,785.33
22.	Sikkim	4,471.94
23.	Tamil Nadu	34,947.14
24.	Telangana	33,998.52
25.	Tripura	1,300.93
26.	Uttar Pradesh	32,370.15
27.	Uttarakhand	2,028.05
28.	West Bengal	14,389.94
Total		**3,14,666.93**

The following table sets forth certain information relating to our total loan assets as of the dates indicated, presented according to the type of project:

(₹ in crore, except percentage)

Particulars	As on March 31,					
	2019		2018		2017	
	Amount	% of total	Amount	% of total	Amount	% of total
Generation						
- Thermal	1,73,428.61	55.11%	1,66,217.75	59.59%	1,52,654.27	62.17%
- Hydro	13,342.36	4.24%	14,047.67	5.04%	12,071.01	4.92%
- Wind	6,931.43	2.20%	5,792.58	2.08%	1,976.84	0.81%
- Solar	7,484.04	2.38%	5,523.66	1.98%	2,315.77	0.94%
- RE: Bagasse	24.88	0.01%	24.88	0.01%	549.75	0.22%
- RE: Biomass	33.47	0.01%	33.47	0.01%	33.47	0.01%
- RE: Waste to Energy (Other than biomass)	412.67	0.13%	290.00	0.10%	-	0.00%
Corporate term loan	6,673.43	2.12%	6,441.67	2.31%	9,470.88	3.86%
Renovation and modernization (generation)						
- Thermal generation	4,462.44	1.42%	4,495.46	1.61%	4,350.75	1.77%
- Hydro generation	420.54	0.13%	448.24	0.16%	425.50	0.17%
Transmission (including R&M)	23,601.50	7.50%	19,667.45	7.05%	16,607.45	6.76%
Distribution (including shunt capacitor and metering)	47,673.42	15.15%	27,770.62	9.96%	18,478.85	7.53%
Short-term loans	12,582.27	4.00%	11,300.96	4.05%	6,010.31	2.45%
Transitional finance	7,972.84	2.53%	8,861.04	3.18%	9,119.47	3.71%
Others [1]	9,623.04	3.06%	7,999.29	2.87%	11,460.96	4.67%
Total	**3,14,666.93**	**100.00%**	**2,78,914.75**	**100.00%**	**2,45,525.27**	**100.00%**

Note: "Others" include BLC, Computerization, Equipment manufacturing, funding of Regulatory Assets, Counterpart funding, DPG, and others

The following table sets forth certain information relating to loans disbursed by us in the periods indicated, presented according to project type:

(₹ in crore, except percentages)

Scheme	For the Fiscal					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Thermal generation	21,451.12	34.16	21,852.46	33.93	16,058.52	23.73
Hydel generation (>25MW)	1,126.94	1.79	1,376.71	2.14	133.69	0.20
Re: wind power	639.65	1.02	4,443.33	6.90	1,466.71	2.17
Re: solar power	1,827.99	2.91	4,259.48	6.61	2,163.84	3.2
Re: Bagasse	3.02	0.00	0.00	0.00	0.00	0.00
Re: Waste to energy (other than biomass)	0.00	0.00	290	0.45	122.67	0.18
Corporate term loan	0.00	0.00	0.00	0.00	745.29	1.10
R&M Thermal	465.38	0.74	588.18	0.91	142.13	0.21
R&M Hydel	52.70	0.08	64.44	0.10	10.17	0.02
Transmission (including R&M)	0.00	0.00	3,307.65	5.13	4,222.88	6.24
Distribution (including shunt capacitor and metering)	1,065.36	1.69	4,997.66	7.76	10,998.71	16.25
Short term loan	8,754.18	13.94	11,143.23	17.30	12,400.70	18.32
Transitional finance	325.00	0.52	0.00	0.00	0.00	0.00
Medium term loan	20,449.00	32.56	10,885.60	16.90	16,576.80	24.49

Scheme	For the Fiscal					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Others	6,637.57	10.59	1,205.09	6.97	2,635.48	10.12
Total	**62,797.91**	**100.00**	**64,413.83**	**100.00**	**67,677.59**	**100.00**

Note: "Others" include studies, buyer line of credit, equipment manufacturing loan, associated infrastructure, purchase through PXIL, Counterpart 'B' RAPDRP (PFC), Corporate loan, Re: Hydel small, IPDS Counterpart PFC loan and funding of regulatory assets.

The following table sets forth information relating to our top ten borrowers (primarily generation companies) in terms of loans outstanding as of March 31, 2019:

(₹ in crore, except percentages)

Borrower	Loan outstanding as of March 31, 2019	% of total outstanding
Borrower 1	24,905.35	7.91%
Borrower 2	20,763.71	6.60%
Borrower 3	15,326.72	4.87%
Borrower 4	11,966.31	3.80%
Borrower 5	11,903.47	3.78%
Borrower 6	10,195.46	3.24%
Borrower 7	9,760.77	3.10%
Borrower 8	9,003.29	2.86%
Borrower 9	8,211.82	2.61%
Borrower 10	8,036.76	2.55%
Total	**1,30,073.65**	**41.34%**

Thermal generation projects

We provide financing for thermal energy generation projects in the public and private sectors. Such projects include coal- and gas-based power plants.

Hydro generation projects

We provide financing for hydro generation projects in the public and private sectors. This facilitates an optimal mix of thermal and hydro projects in our loan asset portfolio. In this regard, we have extended loan repayment periods of state sector loans for hydro projects to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects.

Renewable energy projects

We provide financing for various renewable energy generation projects, including solar, wind, biomass and small hydro projects in the public and private sectors.

Renovation, modernization and life-extension scheme

We provide financing for renovation, modernization and life-extension projects for old thermal and hydro power plants.

Transmission projects and schemes

We provide financing for several kinds of power transmission projects, including transmission and sub-transmission schemes, power evacuation lines and transmission lines. Transmission projects and schemes funded by us involve the transmission of power within various states and from one region in India to another, assistance in the distribution of power within a particular state and transmission loss reduction schemes. These schemes include construction of new transmission lines, reinforcement of existing transmission lines, construction of new substations, augmentation of transformer capacities of existing substations, replacement of old and obsolete equipment, and bay extensions.

Distribution, capacitor and metering schemes

We provide financing for various projects and entities that establish and upgrade substations and distribution networks in various distribution circles, including the installment of capacitors and meters to reduce losses and improve revenue generation, and to improve the quality and reliability of power supply to consumers.

SECTOR-WISE LOAN PORTFOLIO

We provide financial assistance to the public sector, which includes central, state and joint (i.e., companies that have both state and central public sector participation) sectors, and to private sector projects.

The following table sets forth certain information relating to our total loan assets as of the dates indicated, presented according to sector:

(₹ in crore, except percentages)

Particulars	As of March 31					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	2,03,446.64	82.86%	2,28,114.15	81.79%	2,61,054.99	82.96%
Private sector	42,078.63	17.14%	50,800.60	18.21%	53,611.94	17.04%
Total	**2,45,525.27**	**100.00%**	**2,78,914.76**	**100.00%**	**3,14,666.93**	**100.00%**

The following table sets forth certain information relating to disbursements made by us in the periods indicated, presented according to sector:

(₹ in crore)

Particulars	For the Fiscal					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	55,145.91	87.81	50,079.17	77.75	63,161.42	93.33
Private sector	7,652.00	12.19	14,334.66	22.25	4,516.17	6.67
Total	**62,797.91**	**100.00**	**64,413.83**	**100.00**	**67,677.59**	**100.00**

Note :

(1) The disbursement other than Private Sector Disbursement is considered as Public Sector Disbursement.

(2) Besides above PFC's loan disbursement, the amount received from GOI/MOP under RAPDRP/IPDS Schemes (for which PFC is acting as Nodal Agency) was released to concerned utilities as advised by GOI/MOP.

CONSULTANCY SERVICES

We provide fee-based services for various GoI programs, including acting as a nodal agency for UMPP and R-APDRP projects.

SOURCES OF FUNDS

Our primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. Our borrowings reflect various sources, maturities and currencies, and include bonds, term loans and commercial paper. Historically, most of our borrowings have been on an unsecured basis.

The following table sets forth certain information relating to our Rupee-denominated and foreign currency-denominated borrowings as of the dates indicated:

(₹ in crore, except percentages)

Particulars	As of March 31					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Rupee	1,94,144.12	95.83%	2,11,277.92	92.04%	2,59,600.93	90.01%
Foreign currency (1)	8,443.88	4.17%	18,260.08	7.96%	28,826.86	9.99%
Total	**2,02,588.00**	**100.00%**	**2,29,538.00**	**100.00%**	**2,88,427.79**	**100.00%**

Note:

(1) The Rupee equivalent of foreign currency borrowings is based on the relevant bank's telegraphic transfer selling rate for Fiscals 2017, 2018 and 2019.

Rupee resources

Our primary sources of funds are from rupee-denominated bonds and term loans taken in India. In addition, we are classified as an IFC, which enables us to further diversify our borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to bondholders.

A significant percentage of our rupee-denominated borrowings are raised through the issuance of privately placed bonds in India. As of March 31, 2019, we had outstanding borrowings aggregating ₹ 1,90,324.28 crore and ₹ 46,203.55 crore in the form of bonds (including Rupee-denominated infrastructure bonds) and Rupee denominated term loans, respectively.

The following table sets forth certain information relating to the Rupee resources (principal amounts outstanding) as of the dates indicated:

(₹ in crore, except percentages)

Particulars	As of March 31					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Taxable bonds	1,77,468.26	91.41%	1,81,553.42	85.93%	1,78,049.17	68.59%
Tax free bonds	12,275.11	6.32%	12,275.11	5.81%	12,275.11	4.72%
Term loans from Indian banks, foreign banks and financial institutions	2,000.00	1.03%	10,525.00	4.98%	46,203.55	17.80%
Short term loans	2,400.79	1.24%	6,924.74	3.28%	23,073.00.00	8.89%
Total	**1,94,144.16**	**100.00**	**2,11,278.27**	**100.00**	**2,59,600.93**	**100.00%**

Foreign currency resources

We have raised foreign currency funds through syndicated loans, medium term notes, loans from multilateral agencies and other sources such as FCNR(B) loans, which are foreign currency loans for specific end uses (such as infrastructure) and at interest rates linked to benchmarks such as LIBOR. The following table sets forth certain information relating to our outstanding foreign currency borrowings (principal amounts outstanding only), as of the dates indicated:

(₹ in crore, except percentages)

Particulars	As of March 31					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
FCL Bonds	1,167.30	13.82%	2,607.00	14.28%	8,298.60	28.79%
FCL Syndicated Loans	7,072.35	83.76%	12,462.05	68.25%	15,852.09	54.99%
Other FCL Loans	204.23	2.42%	3,191.03	17.48%	4,676.17	16.22%
Total	**8,443.88**	**100.00%**	**18,260.08**	**100.00%**	**28,826.86**	**100.00%**

As an IFC, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs of up to U.S.$ 75.00 crore in each fiscal year.

OUR SUBSIDIARIES

ACQUISITION OF REC

On March 28, 2019, our Company has acquired a 52.63% equity stake in REC from GoI. REC, is also a PFI engaged in the financing and promotion of transmission, distribution and generation including renewable energy projects in India. REC has also been granted "*Navratna*" status by the Department of Public Enterprise, GoI. We believe, REC also plays a strategic role in the GoI's initiatives and plays a pre-eminent role in the power sector, in terms of financing state power utilities and being an agency to implement key power sector initiatives of the central government. Apart from DDUGJY and Saubhagya schemes, REC is also the nodal agency for National Electricity Fund programme and also the coordinating agency for UDAY – Ujwal Discom Assurance Yojana and 24X7 Power For All initiatives.

PFCCL

Our wholly owned subsidiary PFCCL, also provides various technical consultancy and advisory services for power sector projects. PFCCL provides consultancy and other fee-based services to state power utilities, power distribution licensees, IPPs, public sector undertakings and SERCs. PFCCL acts as a bid process coordinator for ITP scheme projects. Other consultancy services include and relate to bid process coordination for power procurement by distribution licensees through a tariff-based competitive bidding process; renewable and nonconventional energy schemes; coal block joint ventures and selection of developers for coal blocks and linked power projects; preparation of detailed project reports; and project management consultancy for distribution system improvement schemes, including those covered under the R-APDRP scheme.

PFCCL is also involved in the following government initiatives:

Discovery of efficient electricity price ("DEEP")

The DEEP e-Bidding Portal has been developed to promote uniformity, transparency and competition in power procurement and facilitate the Distribution Licensees for Procurement of power as per the Guidelines issued by the MoP. Pursuant to the guidelines, PFCCL acts as the authorized representative for the DEEP e-Bidding Portal. PFCCL developed the DEEP e-Bidding portal through MSTC Limited and is responsible for its overall function and smooth operation.

DEEP e-Bidding Portal is being utilized for the following:

1. Procurement of power by utilities on short-term basis with effect from April 12, 2016,
2. Procurement of power by utilities on medium-term basis with effect from August 17, 2016,
3. Utilization of domestic coal in IPP power stations (coal flexibility) with effect from July 5, 2017.
4. Procurement of Aggregated Power of 2,500 MW for three years under pilot power – I for three years (covered under Medium Term) facilitated by PFC Consulting Limited as nodal agency.
5. Procurement of Aggregated Power of 2,500 MW for three years under pilot power – II for three years (covered under Medium Term) facilitated by PFC Consulting Limited as nodal agency.
6. Procurement of Solar Power by utilities on long-term basis with effect from August 01, 2019
7. Procurement of Power by utilities on long-term basis with effect from September 09, 2019

Payment ratification and analysis in power procurement for bringing transparency in invoicing of generators ("PRAAPTI")

The MoP authorized PFCCL for development of an application and web-based portal for transparency in power payments to generators. PFCCL developed an application and web-based portal namely PRAAPTI. The application and web-based portal was launched on May 29, 2018 and the application can be downloaded through Google Play Store, and Apple Store.

For details of our Subsidiaries and Joint Ventures, please see the section titled "*History and Certain Corporate Matters*" beginning on page 123.

RISK MANAGEMENT

We have developed various risk management policies and procedures, with particular emphasis on actively managing and controlling our risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures.

We have set up a Risk Management Committee to monitor various risks, examine risk management policies and practices, and initiate action for mitigation of risks relating to our operations.

We have also developed an integrated enterprise-wide risk management policy ("**IRM Policy**"). In order to implement the IRM Policy, the Company has constituted a Risk Management Compliance Committee of Directors and a separate unit called the CRA unit to monitor certain risks identified by our Company.

As a financial institution, we are primarily exposed to the following types of risk: credit risk, security risk, liquidity risk, interest rate risk, foreign currency risk and operational risk, each described in further detail below.

Credit Risk

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance. We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring, of credit risk mitigation measures. We use a wide range of quantitative as well as qualitative parameters as part of our appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We evaluate the credit quality of borrowers by assigning risk weightings on the basis of various financial and non-financial parameters. Our lending policies evaluate borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence. For further information, see "*– Project and Entity Appraisal Process*" on page 97.

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merits of a particular project, and no funds are pre-allocated.

Our key lending terms and conditions are set out in our operational policy statement, which is reviewed from time to time to align it with market requirements. In addition, we place emphasis on funding projects with short lead times as well as on-going projects.

We evaluate the credit quality of all borrowers by assigning ratings on the basis of various financial and non-financial parameters. In addition, we assign an integrated rating (which is a combination of entity rating and project rating) for private sector generation projects. The interest rates, requirement of collateral securities and exposure limits are calculated on the basis of such integrated ratings.

Monitoring of Loans

We have developed a project monitoring system following the grant of sanctions and execution of loan documents that monitors and tracks project implementation status and identifies risks where intervention is required to minimize the time and cost overruns and consequent slippages in disbursements. A separate project monitoring unit has been set up to monitor the status of projects based on quarterly progress reports, discussions with the borrowers and/or site engineers during site visits, discussions with relevant officials of the borrowers and other methods. The periodic progress analysis is presented before our Board on a quarterly basis. Such reports broadly cover the major areas of concern impacting the project's implementation and withdrawals from us, major reasons for project delays, age-wise delay analysis, major suppliers and agencies associated with the projects, and the cumulative status of our commitments versus disbursements.

For private sector projects, we typically engage the lender's engineers and financial advisors, which are independent agencies who act on behalf of various lenders and consortium members who provide lenders with periodic reports and information concerning the physical and financial progress status of specific projects based on periodic site visits, visits to borrowers' headquarters, and inspection and review of any relevant documents. Our project monitoring unit reviews the reports submitted by the lenders' engineers and prepares a report broadly covering the physical progress, time and cost overrun estimation and delay analysis. The report is submitted to our senior management and Board on a quarterly basis.

Recovery Mechanism

Our recovery mechanism is characterized by the following features that are intended to ensure timely and efficient recovery from our borrowers: intensive follow-up, rebate for timely payments, suspension of further disbursements and sanctions in case of default. The rebate for timely payments is provided to state sector and central public sector borrowers.

In instances where there has been a default by a borrower, we invoke the security and quasi-security arrangements that have been created in relation to the concerned loan, as detailed in "*– Risk Management — Security Risk*" below. We also encourage payments due from borrowers by offering them a rebate for timely payment. In Fiscal 2019, the total rebate offered by us to our borrowers was ₹ 485.79 crore.

We give priority to the realization of dues towards principal and interest, among others, under various types of financial assistance such as Rupee term loans, working capital, lease financing, foreign currency loans, loans for equipment financing and guarantee fee. The actual realization is represented by the overdue loans to total performing loan assets which is 0.27%, 0.51% and 0.20% as of March 31, 2017, 2018 and 2019, respectively. The following table sets forth information relating to amounts overdue as of the dates indicated as a percentage of our total earning assets as of such dates:

(₹ in crore, except percentages)

Particulars	As of March 31,		
	2017	2018	2019
Amounts overdue	584.09	1,281.35	581.30
Total earning loan assets	2,14,807.59	2,52,212.09	2,85,126.92
Amounts overdue percentage to total earning loan assets	0.27%	0.51%	0.20%

Non-Performing Assets

The following table sets forth information relating to our Gross NPAs relating to our net loan assets as of the dates indicated, by sector:

(₹ in crore, except percentages)

Particulars	As of March 31,					
	2017		2018		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	24,031.26	78.27%	5,015.89	18.78%	0.00	0.00%
Private sector	6,670.95	21.73%	21,686.78	81.22%	29,540.31	100.00%
Total	**30,702.21**	**100.00%**	**26,702.67**	**100.00%**	**29,540.31**	**100.00%**

We had adopted Indian GAAP accounting principles until March 31, 2018, which classified assets based on the RBI income recognition and asset classification norms. However, the adoption of IND-AS by our Company with effect from April 1, 2018 introduced a new model of provisioning based on the ECL model as compared with the RBI prudential norms of assets classification. As of March 31, 2019, our Stage 3 category assets were ₹ 29,540.31 crore, which represented 9.39% of our total loan assets as of such date. We had gross NPAs of ₹ 30,702.21 crore, ₹ 26,728.14 crore, and ₹ 29,540.31 crore as of March 31, 2017, 2018 and 2019, respectively, which represented 12.50%, 9.58%, and 9.39% of our total loan assets as of such dates.

Security Risk

We seek to put in place a number of different security and quasi-security arrangements in relation to the loans that we extend. In relation to financial assistance extended to public sector entities and projects, we obtain one or more of the following: (i) a priority claim over the surplus revenue from state power utilities over any loan granted by the relevant state government to other entities; (ii) an irrevocable guarantee from the relevant state governments; (iii) security in the form of a charge over the relevant project assets; and (iv) a negative lien from some of our borrowers.

Majority of our loans to government sector borrowers are supported by an escrow arrangement. The escrow agreement is typically a tripartite agreement entered into by our Company, the borrower and the bank designated as escrow agent. Under the terms of the escrow agreement, the borrower is required to deposit all of its receivables (from certain centers) into the designated escrow account and the borrower is specifically prohibited from opening any other account for the purpose of collection of revenues without our written consent. In the event of a default in payment by the borrower, the escrow agent, is upon demand by our Company, authorized to pay the amount owed to us from the monies deposited in the escrow account. In addition, the escrow agent is required to submit monthly bank statements of the escrow account to our Company. As of March 31, 2019, 93.81% of our outstanding loans to government sector power utilities involve such an escrow mechanism.

In the case of private sector power projects, security is normally obtained through: (i) a first priority *pari passu* charge on assets; and (ii) a trust and retention arrangement in relation to all of the cash flows of the project pursuant to a trust and retention account agreement ("**TRA Agreement**"). The TRA Agreement is usually entered into among our Company, the borrower and a bank designated as the account bank. Under the terms of the TRA Agreement, the cash flows of the project are controlled by the account bank which must deal with the cash flows strictly in accordance with the terms of the TRA Agreement. The TRA Agreement specifies the conditions that must be satisfied, on a periodic basis, before funds from the trust account can be used to meet the relevant expense and the manner in which such payments will be made, including payments by way of debt service to our Company throughout the life of the loan. The account bank is not permitted to allow any withdrawal of funds in excess of the approved limits without the prior approval of our Company. The TRA Agreement continues to operate until all of the obligations have been indefeasibly and irrevocably paid by the borrower. The TRA Agreement also specifies the payment waterfall that would apply upon the occurrence of an event of default or a potential event of default in relation to the loan, and which gives priority to the secured lenders.

For private sector borrowers, apart from stipulating the primary security as discussed above, we also stipulate various collaterals, *inter alia*, pledge of shares held by the promoters, debt service reserve account, and personal or corporate guarantees. Pursuant to our policy, the structure of collateral is formulated on the basis of an integrated rating, which is a combination of entity (promoter) rating and project rating, and these ratings are the outcome of the appraisal process of the borrower.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect our financial condition. The primary interest rate-related risks that we face are from timing differences in the maturity of our fixed rate assets and liabilities. For example, in an increasing interest rate environment, if our fixed rate liabilities mature prior to our fixed rate assets, we will be required to incur additional liabilities at a higher interest rate, and re-pricing risk, for example, where there is an adverse mismatch between the re-pricing terms of our loan assets and our loan liabilities.

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/GoI securities yields and RBI policy changes. 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.

We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. Our incremental Rupee lending interest rates are usually made with either a three-year or ten-year interest reset clause. In order to manage pre-payment risks, our policy is to require a pre-payment premium to be paid by the borrower in case of pre-payment.

We have historically implemented, and may in the future implement, interest rate risk management through the contractual terms of our loans, including pricing terms, maturities, and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle us to vary the interest rate on the undisbursed portion of any loan.

For additional information on our interest rate risk, see "*Risk Factors — Volatility in interest rates affects our Company's lending operations and may result in a decline in our Company's net interest income and net interest margin and adversely affect our Company's return on assets and profitability*" on page 22 of this Draft Shelf Prospectus.

Liquidity Risk

Liquidity risk is the risk of our potential inability to meet liabilities as they become due. We face liquidity risks, which could require us to raise funds or liquidate assets on unfavorable terms. We manage liquidity risk through a mix of strategies, including through forward-looking resource mobilization based on projected disbursements and maturing obligations.

We have established an effective asset liability management system and formed an ALCO. The ALCO monitors risks related to liquidity and interest rates and also monitors the implementation of decisions taken in the ALCO meetings. Liquidity risk is monitored through asset liquidity gap analysis. The asset liability management framework includes periodic analysis of the long-term liquidity profile of asset receipts and debt service obligations. 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.

In order to ensure that we have sufficient funds to meet our commitments, we maintain satisfactory levels of liquidity to ensure availability of funds at any time covering up to three months' liquidity requirements. Currently, surplus funds are invested by way of short-term deposits with banks and mutual funds. We have an active policy of managing the maturities of our assets and liabilities.

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
Up to 30/31 Days	14,133.64	4,955.46	21,785.18	0.00	696.50
Over one month up to two months	1,833.07	1,928.13	4,915.00	0.00	0.00
Over two months up to three months	0.00	1,264.76	7,495.20	0.00	2,080.35
Over three months and up to six months	0.00	9,225.21	10,292.05	0.00	0.00
Over six month and up to one year	0.00	16,559.51	190,88.10	0.00	3,468.40
Over one year and up to three years	0.00	50,663.28	76,608.05	0.00	4,971.67
Over three years and up to five years	0.00	49,879.10	32,730.60	0.00	9,235.95
Over five years	0.00	1,65,146.63	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 five 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.

Foreign Currency Exchange Risk

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. We have foreign currency borrowings that could expose us to foreign currency exchange rate risk, and we expect to increase our foreign currency-denominated borrowings in the future.

We have developed a Currency Risk Management ("**CRM**") policy to manage risks associated with foreign currency borrowings. We manage foreign currency risk and interest rate risks in foreign currency by lending in foreign currency and through derivative products (such as currency forwards, options, principal only swaps, interest rate swaps and forward rate agreements) offered by banks who are authorized dealers. Our CRM policy lays down the appropriate systems and controls to identify, measure, monitor, report and manage currency risks, including interest rate risk. Some of the important features of the CRM policy include benchmarks, hedging ratios, open position limits and exposure limits with regard to empanelled banks. In addition, foreign exchange exposures are evaluated on a loan-to-loan basis, and the exposure is managed in accordance with the various parameters defined in the CRM policy. Every month, the details of foreign currency exposure, and open and hedged positions are submitted to the Risk Management Committee, and such details are submitted every quarter to the Audit Committee and the Board.

As on March 31, 2019, the details of outstanding foreign currency liabilities are USD 361.20 crore, JPY 6,007.90 crore and EUR 1.30 crore; out of which USD 240.00 crore and JPY 967.00 crore are hedged. Further, 85% of the foreign currency portfolio with residual maturity up to eight years has been hedged.

As of March 31, 2019, our foreign currency liabilities that are not hedged by a derivative instrument or otherwise were U.S.$ 8,381.39 crore, € 98.30 crore and JPY 3,146.37 crore. These amounts do not include partial hedges where only one currency leg has been hedged. For additional information on our foreign currency risk, see "*Risk Factors — Volatility in foreign exchange and un-hedged foreign currency could adversely affect our Company's financial conditions and results of operations*" on page 25.

Operational Risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. We have established systems and procedures to reduce operational risk as outlined below:

Operational controls in project finance activities. Our operational policy statement and operational guidelines provide a detailed description of the systems and procedures to be followed in the course of appraisal, approval and disbursement of a loan. Various checks and control measures have been built in for the timely review of operating activities and the monitoring of any gaps in the same. A significant proportion of the activities are subject to regular monitoring and auditing, including loan sanctions, disbursements and recovery. In addition, many important activities are monitored on a periodic basis.

Operational controls in treasury activities. Our operational policy statement for the deployment of surplus funds provide a description of operations to be followed including suitable exposure and counterparty limits. Compliance with our guidelines is monitored through internal control and a well-developed audit system including external and internal audits.

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 delays in the enforcement process or difficulty in the applicability of contractual obligations. We seek to minimize legal risk through legal documentation that is drafted to protect our interests to the greatest extent possible.

PROJECT AND ENTITY APPRAISAL PROCESS

Our lending policies are set out in our operational policy statement. We use a wide range of quantitative as well as qualitative parameters as part of our appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We evaluate the credit quality of borrowers by assigning risk weightings on the basis of various financial and non-financial parameters. Our lending policies evaluate borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence.

Project Appraisal

We follow a separate project appraisal process for private and state or central public sector entities, which primarily involves a technical appraisal and a financial feasibility appraisal of the project.

Private sector projects. The appraisal process for the private sector involves two stages. Initially, a preliminary appraisal is carried out to scrutinize the basic information submitted by the borrower in the first stage. In the second stage, a detailed appraisal is carried out for shortlisted projects on the basis of the findings of the preliminary appraisal.

Public sector projects. A detailed appraisal is carried out for state or central public sector projects, and the project is analyzed based on various parameters, such as, its technical and economic soundness, compatibility with integrated power development and expansion plans of the state. Checks are also carried out to see whether the project has the requisite clearances in place, and is compliant with environmental standards and guidelines.

Detailed project appraisal involves technical and financial appraisal covering the following:

- project purpose, scope and location;
- need and justification supported by relevant studies;
- review of technology;
- forward and backward linkages (including fuel supply and transportation, water availability, power evacuation and sale of power) and their status;
- review of the contractual arrangements for the implementation of the project such as the EPC contract, power purchase agreement, fuel supply agreements, fuel transportation agreement and bulk power transmission agreement;
- present status of the project in terms of both physical and financial preparedness;
- regulatory compliance, statutory and non-statutory clearances;
- power evacuation arrangements;
- arrangement for O&M of the plant;

- implementation plan;
- review of cost, financing plan and phasing of expenditure;
- anticipated tangible and intangible benefits;
- identification of various risks and their mitigation; and
- financial modeling and projections, determination of project viability and sensitivity analysis.

Once the analysis has been completed, pre-commitment, pre-disbursement and other conditions are stipulated. As part of the project appraisal process, we evaluate each project and assign scores based on a range of quantitative and qualitative parameters. Quantitative parameters include the first full-year cost of generation, levelized tariff and average DSCR. Qualitative parameters include power off-take structure and payment security mechanisms, long-term fuel supply and transportation agreements and their commercial terms, construction contracts, methodology of award and the commercial terms and experience of the O&M contractor. For central/state sector projects, security is generally in the form of government guarantees, or a first charge on the existing and/or future assets and/or an escrow account mechanism. Private sector projects are generally secured either by a charge on assets, assignment of project contracts, first charge on all letters of credit, TRA, DSRA, other reserves and other bank accounts that are maintained by the project, and collateral in the form of a pledge over shares, DSRA or corporate or personal guarantees from the promoters.

Following the sanction of a loan to a public sector project, we typically undertake activities such as the completion of the necessary documentation for the sanction, disbursements and project review and monitoring, which involves obtaining progress reports on a quarterly basis, review and analysis of the reports and undertaking site visits as required by the project monitoring unit. Our project monitoring unit reviews the lender engineer's report and prepares an exception report based on the same. The exception report is submitted to our senior management and Board periodically.

Entity Appraisal

We follow a systematic entity appraisal process developed separately for public and private sector entities.

Public sector appraisal

We provide financial assistance to public sector borrowers based on entity and project appraisal. As part of our entity appraisal process, we evaluate the entity with reference to a set of qualitative and quantitative factors covering financial and operational efficiency, progress made towards implementing the GoI's reform program in the state power sector and development of the regulatory framework. We categorize state power utilities into five categories, from A++ through to C, based on pre-determined parameters including operational and financial performance of the utilities. These categories enable us to determine credit exposure limits and the pricing of loans to be given to the SPUs. All new successor SPUs created from entities that were previously SEBs are assigned the category of the former entity for up to 30 months from the commencement of commercial operations by the successor entity. For loans that were originally guaranteed by the relevant state government, such state governments continue as guarantors. SPUs that are incorporated to develop new projects are categorized based on the strength of their respective promoters. The categorization methodology enables us to identify the relative strength and weakness of each entity. These categories are used to determine credit exposure limits, security requirements and the pricing of loans given to SPUs.

Private sector appraisal

We use a range of quantitative as well as qualitative parameters in our entity appraisal process to assess the capability of the promoters of the borrower to contribute equity towards the project and their overall creditworthiness. The promoters are subjected to an evaluation methodology that analyzes their business and financial flexibility. Based on this analysis, the promoters are graded depending upon their performance against pre-determined benchmarks. Promoters who are not assessable under the methodology are assigned notional scores in accordance with certain pre-determined criteria. These scores determine the overall grading of the promoters which is referred to as an "entity rating" in our appraisal process. Such entity rating enables us to identify the extent of an advance payment of equity required to mitigate equity infusion-related risks. The entity rating is combined with a project rating to produce an integrated rating which is used to determine the pricing of the loan, the amount of the loan to be extended, and the requirement of collateral securities and other covenants.

INSTITUTIONAL DEVELOPMENT ROLE AND GOI PROGRAMS

The GoI and various state governments have undertaken various programs and initiatives for the reform and restructuring of the power sector in India to ensure adequate supply of electricity at reasonable rates, to encourage private sector participation, and to make the Indian power sector self-sustaining and commercially viable. These institutional, structural and procedural reforms are aimed at achieving operational and commercial efficiency, and improved viability of state power utilities; improving delivery of services and achieving cost effectiveness through technical, managerial and administrative restructuring of utilities; creating an environment that will attract private capital, both domestic and foreign, to supplement public sector investment; operating state power utilities in a manner that enables them to generate sufficient returns to meet operational and investment requirements; and achieving energy conservation through integrated resource planning, demand side management and minimizing waste.

We were established as an integral part of, and continue to play a strategic role in, the GoI's initiatives for the development of the power sector in India. We work closely with GoI instrumentalities, state governments and 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, we are involved in various GoI programs for the power sector, including acting as a nodal agency for the UMPP and R-APDRP (subsumed under the IPDS).

Restructured Accelerated Power Development and Reform Program ("R-APDRP")

R-APDRP was approved as a central public sector scheme during the 11th Plan and the sanction of the President for the same was conveyed through the MoP order dated September 19, 2008. The completion period for Part-A of the scheme was further extended by two years pursuant to the MoP order dated July 8, 2013. The scheme has been approved by CCEA for continuation in the 12th Five Year Plan and the 13th Five Year Plan, and R-APDRP Steering Committee has been authorized to grant further time extension for successful completion of projects on a case by case basis.

Components of R-APDRP

The scheme comprises three parts: Part-A, Part-B and Part-C.

Part-A: Part-A of the scheme is dedicated to the establishment of an IT enabled system for achieving reliable and verifiable baseline data system in all towns with populations greater than 30,000 as per the 2001 census (10,000 for special category states). The implementation of SCADA/DMS for towns with populations greater than 4 lakh and annual input energy greater than 350MU is also envisaged under Part-A.

Part-B: Part-B deals with regular sub-transmission and distribution system strengthening and project upgrade. The focus in Part-B is on the reduction of aggregate technical and commercial (AT&C) losses on a sustainable basis and continuous improvement of the distribution system. Part-B is considered for sanction for towns where Part-A (IT) is implemented.

Part-C: R-APDRP has provision for capacity building of utility personnel under Part-C of the scheme. A few pilot projects adopting innovations are also envisaged under Part-C. The funding under Part-C is obtained through grant.

We have been designated as the nodal agency to implement the program and will act as a single window service under R-APDRP. As the nodal agency, we will receive fees in respect of implementation of the program as per the norms to be decided by the R-APDRP Steering Committee.

Integrated Power Development Scheme ("IPDS")

The IPDS was approved as a central public sector scheme for implementation during the 12th Five Year Plan and 13th Five Year Plans, and the office memorandum was issued pursuant to the MoP order dated December 3, 2014.

Components of IPDS

The components of IPDS are as follows:

(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 the distribution sector and strengthening of the distribution network under R-APDRP for the 12th Five Year Plan and 13th Five Year Plan by carrying forward the approved outlay for R-APDRP to IPDS;

(iv) schemes for Enterprise Resource Planning (ERP) and IT enablement of the remaining urban towns are also included under IPDS. The scope of IT enablement has been extended to all urban towns as per Census 2011;

(v) smart metering solutions for performing UDAY States and Solar panels on government buildings with net-metering are also permissible under the scheme;

(vi) Gas Insulated switchgear (GIS) sub-stations; and

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

The scheme of R-APDRP as approved by CCEA for continuation in the 12th Five Year Plan and 13th Five Year Plan has been subsumed in this scheme.

Outlay and Budgetary Support

The components (i) and (ii) of IPDS above have an estimated outlay of ₹ 326,12.00 crore, including a budgetary support of ₹ 253,54.00 crore from GoI during the entire implementation period.

R-APDRP scheme as approved by CCEA for continuation in 12th Five Year Plan and 13th Five Year Plan will get subsumed in this scheme as a separate component relating to IT enablement of distribution sector and strengthening of distribution network (component (iii) above), for which the cost of ₹ 440,11.00 crore including a budgetary support of ₹ 227,27.00 crore as already approved by CCEA will be carried forward to the new scheme of IPDS in addition to the outlay for components at (i) and (ii) indicated above.

Sanctions and Disbursement under Integrated Power Development Scheme (IPDS) Operations

The sanctions and disbursements under the R-APDRP scheme as of March 31, 2019, are as follows:

(₹ in crore)

Particulars	Part - A	Part - B	Total
Cumulative Sanctions	6,407.43	28,920.33	35,327.76
Cumulative Disbursements	4,678.54	7,338.06	12,016.60

Sanctions and Disbursement under the Restructured Accelerated Power Development and Reform Program

The sanctions and disbursements under the IPDS scheme as of March 31, 2019, are as follows:

(₹ in crore)

Particulars	Totals
Cumulative Sanctions	32,058.74
Cumulative Disbursements	7,851.56

Ujwal Discom Assurance Yojna ("UDAY")

The UDAY scheme, which was notified by the GoI on November 20, 2015, aims to bring about a financial turnaround of power Discoms and applies to state Discoms. The broad objectives of the scheme, among others, are to:

(i) reduce the AT&C losses to 15% by the year 2019;

(ii) reduce the gap between the average cost of supply and average revenue to zero by the year 2019;

(iii) reduce the cost of power generation through various administrative measures such as the increase of supply of coal, coal linkage rationalization and swaps and supply of improved quality of coal;

(iv) take over 75% of the debt of state Discoms, as of September 30, 2015, over a period of two years (namely 50% in Fiscal 2016 and 25% in Fiscal 2017), through the issue of non-statutory liquidity ratio and state development loan bonds;

(v) convert 50% of the balance of the debt remaining with state Discoms at the end of 2016 into bonds that are to be offered by banks and other financial institutions for an interest rate of not more than 0.1% in addition to the bank's base rate;

(vi) offer, for subscription, to the market, the bonds to be issued against the loans of financial institutions (including REC and the Company), with any unsubscribed portion to be taken over by banks in proportion to their lending to state Discoms;

(vii) avoid any levy of pre-payment charge on the debt of state Discoms; and

(viii) allow for waiver of any unpaid overdue interest and penal charges on the debt of state Discoms, and refund and adjust any such overdue and penal interest paid since October 1, 2013.

As of March 31, 2019, a total of 32 Indian states and union territories have signed the memorandum of understanding under the UDAY scheme.

Ultra Mega Power Projects ("UMPP")

The GoI introduced the UMPP program with the objective of developing large capacity power projects in India. We have been designated to act as a nodal agency by the GoI for the development of UMPPs, each with a contracted capacity of approximately 4,000 MW. These UMPPs, among others, utilize the principle of economies of scale and the mechanisms of supercritical technology to reduce emissions and lower tariff costs.

The CEA is the technical partner for the development of these UMPPs, while the MoP is involved as a facilitator. As of March 31, 2019, 17 UMPPs have been identified, located in Madhya Pradesh (one), Gujarat (two), Karnataka (one), Maharashtra (one), Andhra Pradesh (two), Jharkhand (two), Tamil Nadu (two), Odisha (three), Uttar Pradesh (one), Bihar (one) and Chhattisgarh (one). As of the date of this Draft Shelf Prospectus, we have incorporated a total of 14 wholly owned SPVs for these UMPPs. In relation to such SPVs, we in conjunction with the MoP and the CEA, will undertake preliminary site investigations and obtain fuel linkages and appropriate regulatory and other approvals (including for land, water and for power selling) and environment and forest clearances necessary to conduct the bidding process for these projects. Four of these SPVs have been transferred to successful bidders (as detailed in the table below). The remaining SPVs are proposed to be transferred in due course to successful bidder(s) selected through a tariff-based international competitive bidding process in accordance with the guidelines notified by the GoI under section 63 of the Electricity Act, 2003.

As of March 31, 2019, the following SPVs have been transferred to successful bidders:

Name of SPV	UMPP	Transferee	Date of transfer
Coastal Gujarat Power Limited	Mundra, Gujarat	Tata Power Company Limited	April 22, 2007
Sasan Power Limited	Sasan, Madhya Pradesh	Reliance Power Limited	August 7, 2007
Coastal Andhra Power Limited	Krishnapatnam, Andhra Pradesh	Reliance Power Limited	January 29, 2008
Jharkhand Integrated Power Limited*	Tilaiya, Jharkhand	Reliance Power Limited	August 7, 2009

* *Reliance Power Limited / Jharkhand Integrated Power Limited (**JIPL**) issued a termination notice in respect of the power purchase agreement (PPA) for the Tilaiya UMPP on April 28, 2015. Jharkhand Urja Vikas Nigam Limited had, on behalf of all the procurers, taken over JIPL on May 16, 2018 from Reliance Power Limited.*

In addition to the above, five SPVs were incorporated by us for the purposes of (a) holding land for power plant and coal blocks in case of domestic coal-based UMPPs, and (b) holding land for power plant and ports in case of the imported coal-based UMPP at Cheyyur. However, in a meeting held on November 2, 2017 between officials of the MoP, PFC, CEA and procurers, the decision was taken to develop Cheyyur UMPP on domestic coal. These infra SPVs would be transferred to the respective procurers of power from these projects and thereafter the successful bidders will be expected to develop and implement these projects.

As of March 31, 2019, the subsidiaries promoted as SPVs for UMPPs are as follows:

State	Number of UMPP	Name of SPV	Date of transfer
Madhya Pradesh	1	Sasan Power Limited	August 7, 2007
Gujarat	1	Coastal Gujarat Power Limited	April 22, 2007
	1	SPV yet to be created	-
Andhra Pradesh	1	Coastal Andhra Power Limited	January 29, 2008
	1(In liquidation)	Tatiya Andhra Mega Power Limited	-
Madhya Pradesh	1	Sasan Power Limited	August 7, 2007
Jharkhand	1	Jharkhand Integrated Power Limited(1) Jharkhand Infra Power Limited	August 7, 2009
Karnataka	1	Coastal Karnataka Power Limited	-
Maharashtra	1	Coastal Maharashtra Mega Power Limited	-
Chhattisgarh	1(In liquidation)	Chhattisgarh Surguja Power Limited	-
Tamil Nadu	1	Coastal Tamil Nadu Power Limited Cheyyur Infra Limited	-
	1	SPV yet to be created	-
Odisha	1	Orissa Integrated Power Company Limited Odisha Infrapower Limited	-
	1	Sakhigopal Integrated Power Company Limited	-
	1	Ghogarpali Integrated Power Company Limited	-
Bihar	1	Bihar Mega Power Limited Bihar Infra Power Limited	-
Uttar Pradesh	1	SPV yet to be created	-
Total	**17 (including SPVs under liquidation)**	**13 (Excluding SPVs in liquidation, SPVs already transferred and SPVs yet to be created)**	**-**

Note:

(1) Reliance Power Limited/Jharkhand Integrated Power Limited (JIPL) has issued a termination notice in respect of the power purchase agreement (PPA) for the Tilaiya UMPP on April 28, 2015. Jharkhand Urja Vikas Nigam Limited had, on behalf of all the procurers, taken over JIPL on May 16, 2018 from Reliance Power Limited.

As of March 31, 2019, the GoI has decided to close down the Chhattisgarh Surguja Power Limited UMPP and the Tatiya Andhra Mega Power Limited UMPP. The action has been initiated to strike off the name of these SPVs from the records of the relevant Registrar of Companies. Furthermore, the respective bidding processes for the selection of a developer for each of the Odisha and Cheyyur UMPPs would be initiated after the revision of the standard bidding documents by the GoI, and we are in the process of conducting site studies and obtaining the applicable regulatory and other clearances with respect to the remaining UMPPs.

BUSINESS DIVERSIFICATION INITIATIVES

We expect to continue to play a key role in promoting coordinated and accelerated growth of the power sector in India, and intend to strategically expand our business and service offerings.

Renewable Energy and CDM Initiatives

We believe that the renewable energy space in India provides significant untapped potential. Furthermore, the GoI has scaled up the target of renewable energy capacity to be achieved by 2022 to 175,000 MW, which includes a target of

100,000 MW to be achieved from solar power, 60,000 MW from wind power, 10,000 MW from bio-power and 5,000 MW from small hydro.

We have strategically increased our focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalize on the GoI's various renewable energy initiatives. These initiatives include certain minimum specified percentages of state distribution utilities' total power requirements required to be met from renewable energy sources and special tariffs for renewable energy projects.

We continue to provide financing for public and private sector renewable energy generation projects. As of March 31, 2019, the total amount of loans that we extended to renewable energy projects which remains outstanding was ₹ 15,390.00 crore. We have also jointly promoted EESL with other government companies focused on the Indian power sector to develop energy efficient products and services and provide consultancy services related to CDM, carbon markets and energy efficiency initiatives. As of June 30, 2019, we held a 36.36% equity interest in EESL.

Forward and Backward Linkages

We have strategically expanded our focus areas to include projects that represent forward and backward linkages to core power sector projects, including capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development as well as power trading initiatives.

Capital equipment manufacturers. We believe that significant capacity addition in the Indian power sector requires an augmentation of equipment manufacturing capacities for capital equipment for all segments of the power sector, namely, generation, transmission and distribution. We continue to provide financial assistance to manufacturers of equipment used in the power sector, including transmission and distribution equipment and solar and wind energy generation equipment.

Fuel sources and related infrastructure development. The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including the allocation of coal blocks to the public and private sector entities, as well as the development of related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects such as electrification infrastructure as well as the development of rail and port infrastructure, which are integral to the development of the power sector in India.

Power trading. We continue to strategically focus on power trading initiatives in India.

Debt Syndication

We intend to increase our focus on debt syndication activities in the power sector. We plan to continue to target debt syndication opportunities and believe that our technical knowledge and industry experience, project appraisal capabilities, and relationship with commercial banks and other financial institutions enable us to ensure timely completion of such projects.

REGULATIONS AND POLICIES

We are a Non-Banking Finance Company, that is Non Deposit taking and Systemically Important ("**NBFC-ND-SI")**, and are notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to Section 4A of the erstwhile Companies Act, 1956). We have also been classified as an IFC by the RBI *vide* certificate dated July 28, 2010. NBFCs are primarily governed by the RBI Act, Non-Banking Financial Company Systemically Important NBFC Directions, and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016. Additionally, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time. For further details, please see the section titled "*Regulations and Policies*" beginning on page 107.

CORPORATE GOVERNANCE

We believe in the adoption of corporate governance standards that are credible, consistent and coherent. Our philosophy of corporate governance encompasses the characteristics of adequate disclosure, focused approach, compliance with laws, a professional board, and ultimately the target of maximizing shareholder value while addressing the interests of creditors, employees, the environment and society at large. We intend to comply with the principles of corporate governance set out in the SEBI Listing Regulations.

We have also laid down a comprehensive code of conduct for the Board and senior management personnel which is applicable to all Directors and members of senior management of our Company. It aims to enhance the ethical and transparent way we manage our affairs.

Our Board consists of three independent Directors apart from the one GoI nominee Director. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board and its committees meet at regular intervals.

For further details with regard to our Board, please refer to the section titled "*Our Management*" on page 132.

COMPETITION

As a leading financial institution in India focused on the power sector, we believe that our experience in implementing GoI policies and programs, industry knowledge, relationships with clients and large client base enables us to be a preferred financing provider for the power sector in India. Our primary competitors include infrastructure finance companies; public sector banks and private banks (including foreign banks); multilateral development institutions; insurance companies that either lend to the power sector directly or work in conjunction with other financial services firms to lend to the infrastructure sector; as well as private equity firms that focus on private equity, buyouts and mezzanine financing for the power sector. For further information, see "*Industry Overview*" and "*Risk Factors – With power sector financing industry becoming increasingly competitive, our growth will depend on our ability to maintain a low effective cost of funds; inability to do so could have a material adverse effect on our business, financial condition and results of operations*" on pages 63 and 14, respectively.

EMPLOYEES

We have an experienced, qualified and committed management and employee base. As of June 30, 2019, we had 490 employees. In addition, we employ contract laborers from time to time. We believe that we have an efficient and lean organizational structure relative to the size of operations and profitability. We have a registered trade union under the Trade Unions Act, 1926. The per employee profit for Fiscal 2019 was ₹ 13.97 crore which indicates a high level of employee productivity.

TRAINING AND DEVELOPMENT

We attach great importance to providing continuous training to our officials to keep them updated on the latest developments in the industry and expand their knowledge and skill sets. During Fiscal 2019, 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 and team building, appraisal and disbursement procedures, outbound experiential learning, etc. were organized along with other need-based programs. During the past year, in-house training programs were organized by the Company for its employees. A total of 2,219 man-days were achieved by conducting various in-house programs and by sponsoring employees to other need based programs conducted by external training agencies.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

CSR is a cornerstone of our operations and we discharge our social responsibility obligations as a part of our growth philosophy. The Company aims to act as a responsible corporate citizen and are committed to improving the welfare of the society through inclusive growth aimed at the empowerment of communities through (i) environment protection through promotion of renewable energy, sanitation and provision for safe drinking water, (ii) skill development programmes and (iii) activities related to the healthcare sector. Our Company has a CSR & Sustainability Policy. The aim of our CSR & Sustainability Policy is to ensure that our Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. To oversee the activities of CSR, our Company has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

In conformity with the provisions of the Companies Act, 2013 and the rules framed thereunder, for Fiscal 2019, our Board had approved a CSR budget of ₹ 148.15 crore based on 2% of the average stand-alone profit before tax excluding dividend received from other companies covered under and complying with Section 135 of the Companies Act, 2013, for last three financial years in line with Rule 2(f)(ii) of Companies (Corporate Social Responsibility Policy) Rules, 2014. During the financial year 2018-19, our Company implemented a wide range of activities in various states in the fields of solar energy, rural development, sanitation, health and education, skill development, etc.

Due to the gestation period involved in the sanctioned projects, our Company has disbursed ₹ 118.19 crore out of the available sanctions, and the remaining budget will be utilized / disbursed based on the progress achieved for completion of the projects. Further, as per the guidelines of Department of Public Enterprises, GoI, the CSR Budget is non-lapsable, and is carried forward to the next year. Therefore, we believe that the entire budget will be utilized for CSR activities.

CERTIFICATIONS

We were awarded the ISO 9001:2015 certification with effect from January 9, 2019, valid until January 8, 2022, with respect to its operations.

INSURANCE

We maintain insurance for our physical assets, such as office and residential properties. However, the amount of the insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all potential losses that we may suffer should a risk materialize. For risks associated with inadequate insurances, see "*Risk Factors — Our insurance may not be adequate to protect against all potential losses to which we may be subject*" on page 27. In addition, we maintain customary insurance for employees in case of accident or death as well as directors and officers' liability insurance.

INFORMATION TECHNOLOGY

We have implemented the following IT initiatives:

- all major business processes such as project appraisal, financial and loan accounting management, resource mobilization and treasury management, payroll and human resources have been computerized onto a centralized data base by using on-line transactional applications such as "Oracle ERP", resource mobilization and treasury management modules, and an integrated power financing system;

- a web-based self-help employee portal has been implemented with an on-line claim processing system to facilitate partially paperless filing of various claims and to enable claim status to be viewed easily;

- a 24x7 operational data center is housed with ERP, databases, applications, networks, email system and anti-virus servers, with backup power and a temperature-controlled environment with data backup systems;

- a comprehensive network security system to secure data has been implemented with a firewall and an intrusion detection and prevention system, together with anti-virus and content filtering systems;

- local area networks have been installed, and access to IT facilities such as desktop computers are available to the employees; our Company's reporting requirements have been met by using financial ERP systems, payroll, an integrated power financing system and resource mobilization and treasury management modules; and

- "oracle apps" for financial ERP systems have been implemented for all financial transactions and reporting covering general ledger, accounts payable and receivables, financial accounting, best-of breed software modules for resource mobilization and treasury management modules. These applications have been in operation since Fiscal 2011.

For information in relation to risks faced in relation to our IT systems, see "*Risk Factors — Security of our Company's IT systems may fail and adversely affect our Company's business, operations, financial condition and reputation*".

PROPERTIES

The details in relation to the properties of the Company are as follows:

Registered and Corporate Office: Our registered and corporate office is located at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Our Company entered into a memorandum of agreement dated February 5, 2002, with the President of India in relation to our registered office premises, pursuant to which we were required to execute a perpetual lease upon completion of construction of the building where our Registered Office is situated. The perpetual lease deed was executed on March 23, 2011.

Regional offices: We also have two regional offices in Mumbai and Chennai, which are taken on lease-hold and freehold basis respectively. In addition to the offices, we also own certain residential properties in New Delhi.

LEGAL AND REGULATORY PROCEEDINGS

We are involved in certain legal and tax-related proceedings. These proceedings are pending at different levels of adjudication before various government authorities, courts, tribunals and appellate authorities. However, excluding the legal proceedings discussed elsewhere in this Draft Shelf Prospectus, we are not a party to any proceedings, and no proceedings are known by us to be contemplated by governmental authorities or third parties which, if adversely determined, would have a material adverse effect on our financial condition or results of operations. For further details in relation to the litigation involving our Company, please see the section titled "*Outstanding Litigation*" on page 197.

REGULATIONS AND POLICIES

The following is a summary of certain laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

REGULATIONS GOVERNING NBFCs

*The Company is a Non-Banking Finance Company, that is Non Deposit taking and Systemically Important ("**NBFC-ND-SI")** and is notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to the erstwhile Section 4A of the Companies Act, 1956 and also classified as an Infrastructure Finance Company ("IFC") by the RBI vide certificate dated July 28,2010. The Company is a leading public financial institution in the Indian power infrastructure sector and is engaged in the financing and promotion of transmission, distribution and generation projects throughout India. The business activities of NBFCs and public financial institutions are regulated by various RBI regulations, but as a Government company, the Company has the benefit of certain exemptions as further described below.*

NBFCs are primarily governed by the Reserve Bank of India Act, 1934, as amended ("**RBI Act**"), Non- Banking Financial Company Systemically Important NBFC Directions and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Additionally, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

The RBI Act

The RBI Act defines an NBFC under Section 45-I (f) as:

(a) a financial institution which is a company;

(b) a non-banking institution which is a company, and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; and

(c) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A "financial institution" and a "non-banking institution" have been defined under Sections 45-I(c) and 45-I (e) of the RBI Act, respectively. Section 45-I (c) of the RBI Act defines a "financial institution" as a non-banking institution carrying on as its business or part of its business, among other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Also, section 45-I (e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society.

The RBI has clarified that, while identifying a company as an NBFC, it will consider both the assets and the income pattern from the last audited balance sheet to decide its principal business. A company will be treated as a NBFC if: (a) its financial assets are more than 50% of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for the principal business of a company.

NBFCs which are Government companies in which not less than 51 per cent. of the paid up capital is held by the Central Government or by any State Government or partly by the Central Government and partly by one or more State Governments or which is a subsidiary of a Government company ("**Government NBFCs**"), have been exempted from complying with the various parts of the RBI Act relating to maintenance of liquid assets, creation of reserve funds and the directions relating to acceptance of public deposits and certain prudential norms.

Government owned companies, as defined under Section 2(45) of the Companies Act, 2013 and registered with RBI as NBFCs, were exempt from the following regulatory and statutory provisions:

(i) Sections 45-IB and 45-IC of the RBI Act, 1934;

(ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Non- Banking Financial

Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (except provisions contained in paragraph 23 of these directions); and

(iii) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 (except certain provisions contained in these directions).

The RBI Act states that an NBFC shall commence or carry on the business of a non-banking financial institution after obtaining a certificate of registration ("**CoR**") and having a minimum net owned fund of ₹ 25 Lakh and not exceeding ₹ 2 Crore. NBFCs that do not accept deposits from the public also need to obtain a CoR, however the same will not authorize them to accept public deposits. All NBFCs are required to submit a certificate from their statutory auditors every year stating that they continue to undertake the business of a non-banking financial institution.

Government companies

Historically, the RBI had exempted a Government company as defined under Section 2 (45) of the Companies Act, 2013 from the applicability of several sections of the RBI Act as well as, inter alia, the NBFC-ND-SI Directions. However, pursuant to a notification dated 31 May 2018, Government companies which were previously exempt from the NBFC-SI Directions and certain income recognition, asset classification, provision requirements, capital adequacy requirements, leverage ratios and concentration of credit and investments, corporate governance and deposit regulations will now have to comply in the same way as non-Government companies within the prescribed timelines ("**Withdrawal Notification**").

Under the Withdrawal Notification,

(i) income recognition as set out under the NBFC-ND-SI Directions has to be complied with by Government companies by 31 March 2019. Income recognition is required to be based on recognised accounting principles and guidance notes in India. Income including interest or discount or hire charges or lease rentals or any other charges on non-performing assets are recognised only when it is actually realised, and any income recognised before an asset became non-performing and remaining unrealised is reversed. Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on cash basis. Income from bonds and debentures of corporate bodies and from Government securities or bonds is taken into account on accrual basis. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by the central Government or a state Government is taken into account on accrual basis;

(ii) asset classification has to be done within 120 days from 31 March 2019 and 90 days from 31 March 2020. Loans and other credit facilities and lease assets are classified into the following broad asset types: (a) Standard Assets: Standard asset refers to an asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business; and (b) Non-performing Assets: An asset is considered as a non-performing asset and sub-categorised as sub-standard, doubtful and loss asset;

(iii) 100% of prescribed provisioning requirement needs to be met by 31 March 2019. This is 0.40 per cent of the outstanding amount of the loans disbursed by the NBFC, which amount is not reckoned for arriving at net non-performing assets;

(iv) Government owned NBFCs are required to have a CRAR of 10 per cent. by 31 March 2019, which increases to a CRAR of 15 per cent. by 31 March 2022;

(v) leverage ratio will be applicable by 31 March 2022 with a roadmap for compliance to be prepared by Government owned non-deposit taking NBFCs;

(vi) credit and investment concentration norms be complied with by 31 March 2022. A NBFC IFC is permitted to: (a) lend to: (i) any single borrower exceeding 25 per cent. of its owned fund; and (ii) any single group of borrowers exceeding 40 per cent. of its owned fund; (b) invest in: (i) the shares of another company exceeding 15 per cent. of its owned fund; and (ii) the shares of a single group of companies exceeding 25 per cent. of its owned fund; or (c) lend and invest (loans/investments taken together) exceeding: (i) 30 per cent. of its owned fund to a single party; and (ii) 50 per cent. of its owned fund to a single group of parties;

(vii) corporate governance, conduct of business regulations, and the fair practices code have to be complied with by 31 March 2019;

(viii) the requirement under Section 45 IB of the RBI Act, 1934, in respect of maintaining a percentage of investments in unencumbered approved securities (central or state Government bonds, as well as bonds of whose principal and interest have been guaranteed by the Government) whose value does not exceed 15 per cent. of the deposits outstanding at the close of business on the last working day of the second preceding quarter is now applicable to Government NBFCs. This requirement is applicable in a phased manner, i.e. 5 per cent. of outstanding deposits by 31 March 2019, which increases to 15 per cent. by 31 March 2022; and

(ix) the requirement under Section 45 IC of the RBI Act, 1934, of creating a reserve fund and transferring a sum not less than 20 per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared, to such reserve fund, is now applicable to Government NBFCs from 31 March 2019.

The phased withdrawal of the exemptions applicable on Section 45 IB and Section 45 IC of the RBI Act are also listed in Master Direction - Exemptions from the provisions of RBI Act, 1934, Master Direction DNBR.PD. 001/03.10.119/2016-1.

Additionally, the Withdrawal Notification permits government companies set up to serve specific sectors to approach the RBI for exemptions.

Systemically Important NBFC Directions

RBI has issued Master Directions- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. These directions inter-alia prescribe guidelines on prudential issues (like capital requirement, prudential regulation, fair practice code, asset liability management framework), Governance issues (like corporate governance)) and miscellaneous issues (like reporting requirement).

The Company is following these regulations except the credit concentration norms for our exposure to Government borrowers. RBI has exempted PFC from applying RBI credit concentration norms for exposure towards Central/ State sector entities till March 31, 2022. Further, in case of private sector, the following credit concentrations limits as prescribed by RBI are being followed by our Company:

	(as % of owned fund)
Lending ceilings	
Lending to any single borrower	15%
Lending to any single group of borrowers	25%
Investing ceilings	
Investing in shares of a company	15%
Investing in shares of a single group of companies	25%
Loans and investment taken together	
Lending and investing to single party	25%
Lending and investing to single group of parties	40%

In addition to above:

- An NBFC may exceed the concentration of credit/ investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

- Infrastructure Finance Companies may exceed the concentration of credit norms in:

    - lending to any single borrower, by 10% of its owned fund; and any single group of borrowers, by 15% of its owned fund;
    - in lending to and investing in, (loans/investments taken together) to a single party, by 5% of its owned fund; and to a single group of parties, by 10% of its owned fund.

NBFC-ND-SIs which meet the criteria prescribed in the Systemically Important NBFC Directions, may augment their capital funds by the issuance of perpetual debenture instruments in accordance with certain specified guidelines. Such perpetual debenture instruments shall be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as of March 31 of the previous accounting year. NBFC-ND-SIs may augment their Tier II capital by the issuance of hybrid capital instruments and subordinated debt within certain specified guidelines. Perpetual debenture instruments issued in excess of 15% will be included in Tier II capital, subject to the proviso that Tier II capital does not exceed Tier I capital.

Classification of Infrastructure Finance Companies

All NBFC-NDs with an asset size of ₹ 500 Crore or more in accordance with the last audited balance sheet will be considered as an NBFC-ND-SI. An IFC NBFC-ND-SI in addition fulfils the following criteria:

(a) a minimum of 75 per cent. of its total assets deployed in "infrastructure loans";
(b) net owned funds of ₹ 300 Crore or above;
(c) minimum credit rating 'A' or equivalent of CRISIL, India Ratings and Research Private Limited, CARE, ICRA, Brickwork Rating India Private Limited (Brickwork) or equivalent rating by any other credit rating agency accredited by RBI; and
(d) CRAR of 15 % (with a minimum Tier I capital of 10 %).

The Company is a Government IFC NBFC-ND-SI and consequently is subject to the lending and investment norms mentioned in "- *Regulations and Policies – Systematically Important NBFC Directions*" on page 109 of this Draft Shelf Prospectus.

RBI has granted an exemption to the Company pursuant to a letter dated June 16, 2016 from concentration norms in respect of exposure to central / state entities in the power sector until March 31, 2022. In respect of private sector entities, the Company's credit exposure to single borrowers and group borrowers did not exceed the RBI prudential exposure limits as at March 31, 2019, March 31, 2018 and March 31, 2017.

Private Placement Guidelines

The RBI's Systemically Important NBFC Directions contain provisions with respect to NBFCs raising money through private placement of non-convertible debentures ("**NCDs**"). NBFCs need a board-approved policy for resource planning which, *inter alia*, should cover the planning horizon and the periodicity of private placement. The Company shall be governed by the following instructions:

(a) the minimum subscription per investor is ₹ 20,000;

(b) the issuance of NCDs shall be in two separate categories per investor: (i) maximum subscription of less than ₹ one crore; and (ii) minimum subscription of ₹ one crore and above;

(c) where maximum subscription is less than ₹ one crore, the limit is 200 subscribers for every financial year for issuance of NCDs;

(d) where minimum subscription is ₹ one crore and above, there is no limit on the number of subscribers in respect of issuances and the Company has the option to create security in favor of subscribers or not. Any unsecured debentures are not treated as public deposits;

(e) NCD shall only be issued for the Company's use and only for its own balance sheet and not to raise money for group entities, the parent company or associates; and

(f) an NBFC shall not extend loans against the security of its own debentures (issued by way of either private placement or public issue).

The Issuer, in respect of any private placements of debentures, needs to comply with the regulations of SEBI from time to time. These include, but are not limited to, the following: (i) the electronic booking platform provided by a recognized stock exchange for any issuance by the Company by way of a private placement of securities. The bidding mechanism applies to: (a) a single issue, inclusive of green shoe option, if any, of ₹ 200 Crore or more; (b) a shelf issue, consisting of multiple tranches, which cumulatively amounts to ₹ 200 Crore or more, in a financial year; or (c) a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds ₹ 200 Crore. Participants are then required to submit their bids through this platform to purchase securities. The Company may be required to provide certain information and do certain acts in this respect; and (ii) circulars relating to the clubbing of international securities identification numbers for frequent issuers of debt issues with the same tenor during a quarter who may then may club issuances under the same umbrella international securities identification numbers.

Measures for Capital Augmentation by NBFCs

NBFC-ND-SIs which meet the criteria prescribed in the Systemically Important NBFC Directions, may augment their capital funds by the issuance of perpetual debenture instruments in accordance with certain specified guidelines. Such perpetual debenture instruments shall be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as of March 31 of the previous accounting year. NBFC-ND-SIs may augment their Tier II capital by the issuance of hybrid capital instruments and subordinated debt within certain specified guidelines. Perpetual debenture instruments issued in excess of 15% will be included in Tier II capital, subject to the proviso that Tier II capital does not exceed Tier I capital.

Non-Performing Assets ("NPA")

The Company adopted Ind AS from April 1, 2018 and assets are being recognized as stage I, stage II and stage III:

- A financial instrument that is not credit impaired on initial recognition is classified in '*Stage I'* and loan account is upto 30 days overdue on its contractual payments;
- If a significant increase in credit risk ("**SICR**") is identified, the financial instrument is moved to '*Stage II*' and loan account is more than 30 days but upto 90 days overdue on its contractual payments;
- If the financial instrument is credit-impaired, the financial instrument is moved to '*Stage III'* category & loan account is more than 90 days overdue on its contractual payments. The assets of the Company convert into non-performing assets when the financial instrument is moved to Stage III.

Norms for excessive interest rates

Interests rates beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice. Boards of applicable NBFCs, therefore, are required to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

Asset Liability Management

The management of NBFCs is required to base its business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. It is, therefore, important that NBFCs introduce effective risk management systems that address the issues relating to interest rate and liquidity risks.

NBFCs are exposed to several major risks in the course of their business – credit risk, interest rate risk, equity / commodity price risk, liquidity risk and operational risk. It is, therefore, important that NBFCs introduce effective risk management systems that address the issues relating to interest rate and liquidity risks. The initial focus of the Asset Liability Management ("**ALM**") function shall be to enforce the risk management discipline or manage the business after assessing the risks involved. The objective of good risk management systems shall be that these systems will evolve into a strategic tool for the management of NBFCs.

The ALM process rests on three pillars:

(a) ALM Information Systems

  (i) Management Information Systems

  (ii) Information availability, accuracy, adequacy and expediency

(b) ALM Organization

  (i) Structure and responsibilities

  (ii) Level of top management involvement

(c) ALM Process

  (i) Risk parameters

  (ii) Risk identification

(iii) Risk measurement

(iv) Risk management

(v) Risk policies and tolerance levels.

Corporate Governance Guidelines

The RBI has mandated certain corporate governance rules for all NBFC-NDs, which include the constitution of an audit committee, a nomination committee and a risk management committee. The guidelines have also issued instructions for the framing of internal guidelines on corporate governance with the approval of the board of directors of the NBFC and also for the rotation of the partners of the chartered accountancy firm conducting its audit every three years.

Anti-Money Laundering

The RBI has specified that a proper policy framework for the Prevention of Money Laundering Act, 2002, as amended ("**PMLA**") is put into place in NBFCs. The PMLA seeks to prevent money laundering and extends to all banking companies and financial institutions, including NBFCs and intermediaries. In accordance with the provisions of the PMLA and the directions, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions.

Directions on the Acquisition of NBFC

Prior written permission from the RBI is required for:

(a) the takeover or acquisition of an NBFC, deposit and non-deposit accepting, whether by acquisition of shares or otherwise;

(b) any change in the shareholding of the applicable NBFCs, including progressive increases over time, which would result in acquisition/transfer of shareholding of 26% or more of the paid up equity capital of the applicable NBFC. Prior approval would, however, not be required in the case of any shareholding going beyond 26% due to buyback of shares/reduction in capital where it has approval of a competent Court. The same is however required to be reported to the RBI not later than one month from its occurrence; and

(c) any change in the management of the applicable NBFC which results in the change in more than 30% of the directors, excluding independent directors. Prior approval would not be required for those directors who get re-elected on retirement by rotation.

Non-compliance of the directions could lead to adverse regulatory action including cancellation of the certificate of registration of NBFCs.

Opening of Branch, Subsidiary or Representation Office of an NBFC outside India

Prior approval of the RBI is required for the opening of a branch, subsidiary, joint venture or representative office or for undertaking any investment abroad by an NBFC.

Department of Public Enterprises, Government of India

We are a Navratna Central Public Sector Undertaking under the administrative control of the Ministry of Power, Government of India.

The Department for Public Enterprises is the nodal department for all the Central Public Sector Enterprises ("**CPSEs**") and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. It furthermore collects and maintains information in the form of a Public Enterprises Survey on several areas in respect of CPSEs. The Department for Public Enterprises formulates policy guidelines pertaining to CPSEs in areas like performance improvements and evaluation, financial management, personnel management, board structures, wage settlement, training, industrial relation, vigilance and performance appraisal.

LAWS RELATING TO THE RECOVERY OF DEBTS

Securitisation Act

The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, as amended ("**Securitisation Act**") provides the powers of "seize and desist" to banks and grants certain special rights to banks and financial institutions to enforce their security interests. The Securitisation Act provides that a "secured creditor" may, in respect of loans classified as non-performing in accordance with RBI guidelines, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets.

Under the Securitisation Act, all mortgages and charges on immovable properties in favour of banks and financial institutions are enforceable without the intervention of the Courts. The Securitisation Act also provides for the establishment of asset reconstruction companies regulated by RBI to acquire assets from banks and financial institutions. A bank or financial institution may sell a standard asset only if the borrower has a consortium or multiple banking arrangements, at least 75% by value of the total loans to the borrower are classified as non-performing and at least 75% by value of the banks and financial institutions in the consortium or multiple banking arrangements agree to the sale. The banks or financial institution selling financial assets should ensure that there is no known liability devolving on them and that they do not assume any operational, legal or any other type of risks relating to the financial assets sold. Furthermore, banks or financial institutions may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks or financial institutions may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. While each bank or financial institution is required to make its own assessment of the value offered in the sale before accepting or rejecting an offer for purchase of financial assets by an asset reconstruction company, in consortium or multiple banking arrangements where more than 75% by value of the banks or financial institutions accept the offer, the remaining banks or financial institutions are obliged to accept the offer.

For financing of a financial asset by more than one secured creditor or joint financing of a financial asset by secured creditors, no secured creditor is entitled to exercise any rights unless such exercise is agreed by at least 60% of the secured creditors by value of outstanding and such action is binding on all the secured creditors.

Any securitisation company or asset reconstruction company may acquire financial assets of a bank or financial institution by issuing a debenture, bond or any other security in the nature of a debenture, for agreed consideration or by entering into an agreement with such bank or financial institution to purchase such financial assets on terms and conditions as agreed. In respect of a shortfall in proceeds realised from the sale of secured assets, a secured creditor may file an application to the Debt Recovery Tribunal to recover the balance amount from a borrower under the Debt Recovery Act (as defined below).

Debt Recovery Act

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 as amended from time to time ("**Debt Recovery Act**") provides for the establishment of Debt Recovery Tribunals and a Debt Recovery Appellate Tribunals for expeditious adjudication and recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under the Debt Recovery Act, the procedures for the recovery of debt have been simplified and timeframes have been fixed to facilitate the disposal of cases. The Debt Recovery Act lays down the rules for establishment of Debt Recovery Tribunals, the procedure for making an application to the Debt Recovery Tribunals and their powers and modes of recovery of debts. Upon establishment of the Debt Recovery Tribunals and the Debt Recovery Appellate Tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by the Debt Recovery Act, except the Supreme Court exercising jurisdiction under Article 32 and the High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, in relation to matters specified in Section 17 of the Debt Recovery Act.

Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the Amendment Act)

The Amendment Act was passed by both houses of the Parliament on August 9, 2016 and received the assent of the President on August 12, 2016. The Amendment Act shall come into force as and when notified by the Central Government. The Amendment Act amends two laws: (i) the Securitisation Act and (ii) the Debt Recovery Act. Under the Securitisation Act, secured creditors can take possession over collateral, against which a loan had been provided, upon a default in repayment, which can be done with the assistance of the district magistrate. The Amendment Act provides that this process will have to be completed within 30 days by the district magistrate. In addition, the Amendment Act: (i) creates a central database to integrate records of property registered under various registration systems with this central registry and secured creditors will not be able to take possession over the collateral unless it is registered with the central registry; and (ii) provides that stamp duty will not be charged on transactions for transfer of financial assets in favour of asset reconstruction companies. In relation to the Debt Recovery Act, the Amendment Act (i) allows banks to file cases in tribunals having jurisdiction in the location of the bank branch and where the debt is pending; and (ii) provides further details of procedures that the tribunals will follow in case of debt recovery proceedings.

The Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was passed by the Parliament on 11 May 2016, with a view to creating a unified framework for resolving insolvency and bankruptcy in India. The IBC, aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, currently contained in a number of legislations, into a single legislation. Under the IBC, NBFCs, as financial creditors, can initiate a corporate insolvency resolution process against a corporate debtor who has defaulted in respect of debt equivalent to or more than ₹ one lakh, provided such NBFC furnishes record of the default filed with the information utility to the National Company Law Tribunal. Further, while it is not permissible to initiate insolvency proceedings under the IBC against NBFCs, recent National Company Law Tribunal judgements have utilised the generic powers of the National Company Law Tribunal under Section 242 of the Companies Act to indirectly apply the IBC to financial services providers such as NBFCs.

Prudential Framework for Resolution of Stressed Assets issued by the Reserve Bank of India

The RBI recently issued the Stressed Asset Framework on 7 June 2019. These directions have been issued with a view to providing a framework for early recognition, reporting and time-bound resolution of stressed assets. The directions are issued without prejudice to the issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, 1949, for the initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code, 2016. The Honorable Supreme Court of India, *vide* its order dated 2 April 2019, held the RBI circular dated 12 February 2018 on Resolution of Stressed Assets as *ultra vires*. In light of this decision, the RBI issued the Framework for expeditious and effective resolution of stressed assets.

The RBI has mandated that the provisions of the directions in the Stressed Asset Framework shall apply to the following entities: (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit Taking Non-Banking Financial Companies ("**NBFC-ND-SI"**) (including our Company) and Deposit-taking Non-Banking Financial Companies ("**NBFC-D**").

The fundamental principles underlying the Framework for resolution of stressed assets are as follows:

(i) early recognition and reporting of default in respect of large borrowers by banks, FIs and NBFCs;
(ii) complete discretion to lenders with regards to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluations;
(iii) a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings;
(iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period;
(v) for the purpose of restructuring, the definition of 'financial difficulty' to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and
(vi) signing of inter-creditor agreement by all lenders to be mandatory, which will provide for a majority decision making criteria.

The RBI has further mandated that existing instructions on resolution of stressed assets, such as the Framework for revitalizing Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long-Term Project Loans, Strategic Debt Restructuring Scheme, Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets, are withdrawn with immediate effect. Accordingly, the Joint Lenders' Forum, as a mandatory institutional mechanism for resolution of stressed accounts, is also discontinued.

LAWS RELATING TO THE POWER SECTOR

In accordance with the Indian Constitution, the authority to regulate the electricity sector vests with both the State and the Central Governments.

The Ministry of Power ("**MoP**") acts as the administrative ministry governing the Central power sector in the country. The MoP is responsible for the administration of the Electricity Act, 2003, as amended from time to time ("**Electricity Act**"), the Energy Conservation Act, 2001 as amended and to undertake such amendments to these Acts, as may be necessary from time to time, in conformity with the government's policy objectives. The Central Electricity Authority ("**CEA**") advises the MoP, *inter alia,* on electricity policies and technical matters.

Electricity Act, 2003

The Electricity Act is a Central legislation relating to generation, transmission, distribution, trading and use of electricity that seeks to replace the multiple legislations that govern the power sector. The Electricity Act aims to enable measures to be taken for the development of the electricity industry, promote competition, protect the interest of consumers and supply of electricity to all areas, rationalize the electricity tariff, ensure transparent policies regarding subsidies, promote efficient and environmentally benign policies, constitute the Central Electricity Agency and establish the Appellate Tribunal. The most significant reform initiative under the Electricity Act was the move towards a multi-buyer, multi-seller system as opposed to the existing structure which permitted only a single distributor to purchase power from power generators. In addition, the Electricity Act grants the electricity regulatory commissions freedom in determining tariffs. Under the Electricity Act, no license is required for establishing, expanding, operating or maintaining a generating station, if it complies with the technical standards relating to connectivity with the grid, provided that the generating station has submitted a detailed project report. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer and further amended in 2010 to provide that any developer of a special economic zone ("**SEZ**") notified shall be deemed to be a licensee under the Electricity Act.

Proposed Amendments to the Electricity Act

The Ministry of Power has proposed several amendments to the Electricity Act 2003. Pursuant to the draft amendment circulated to stakeholders and the general public for comments, the Ministry of Power has proposed the following changes, which *inter alia* include, (i) new licensing regime will be introduced, i.e. separate license for maintaining the distribution networks and for supply of electricity will be issued; (ii) Central and State Governments will be empowered to introduce subsidies in the tariff rates to a class of consumers, which will be directly transferred to the bank accounts of the beneficiaries; (iii) no ceiling tariff will be imposed in case such tariff has been determined on the basis of competitive bidding; and (iv) renewable energy sources will be defined to include energy produced solely or by combination of hydro, wind, solar, bio-mass, bio-fuel, bio-gas, waste including municipal waste and solid waste, geothermal, tidal and forms of oceanic energy. These proposed amendments are yet to be formally tabled in the Indian parliament.

Licensing Requirements

Under the Electricity Act, transmission and distribution of, and trading in, electricity require licences from the appropriate Central or State electricity regulatory commissions (respectively, **CERCs** and **SERCs**, and collectively, **ERCs**), unless exempted. CERC has jurisdiction over generating companies owned or controlled by the Government or which have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC's jurisdiction. The respective ERC determines the tariff for supply of electricity from a generating company to a licensee, transmission, wheeling, and retail sale of electricity. All States in India have ERCs in operation.

Generation

Currently, any generating company in India can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with the grid. Approvals from the Government, the State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are permitted to sell electricity to any licensees and where permitted by the respective SERCs, to consumers. The respective ERCs determine the tariff for the supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. CERC has jurisdiction over generating companies owned or controlled by the Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC's jurisdiction.

In order to qualify as a captive generating plant, the Electricity Rules, 2005 as amended (the **Electricity Rules**) require that not less than 26 per cent. of the ownership of the plant be held by a captive user and not less than 51 per cent. of the aggregate electricity generated in such plant, determined on an annual basis, be consumed for captive use. If the minimum percentage of captive use is not complied with in any year, the entire electricity generated is treated as supplied by a "generating company" and benefits available to a "captive generating plant" (such as exemption from payment of certain levies and surcharges) will not apply in such year.

Transmission

Transmission, being a regulated activity, involves the intervention of various players. The Government is responsible for facilitating the transmission and supply of electricity, particularly inter-State, regional and inter- regional transmission. The Electricity Act vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government and empowers it to make regional demarcations of the country for the same. In addition, the Government will facilitate voluntary inter-connections and co- ordination of facilities for the inter-State, regional and inter-regional generation and transmission of electricity. The CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a licence from the CERC and the SERCs, as the case may be.

The Electricity Act allows generating companies open access to transmission lines. The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines specified by the CEA. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central Transmission Utility or the State Transmission Utility. The Electricity Act provides certain principles in accordance with which the appropriate ERC will specify terms and conditions for determination of the tariff. Under the Electricity Act, CERC is vested with the authority to determine the tariffs for inter-State transmission of electricity. A transmission licensee may, with prior intimation to CERC or the SERC, as the case may be, engage in any business for optimum utilisation of its assets, provided that a proportion of its revenues from such business be utilized for reducing its charges for transmission and wheeling.

Trading

The Electricity Act specifies trading in electricity as a licensed activity. This may involve wholesale supply or retail supply. The licence to engage in electricity trading is required to be obtained from the appropriate ERC. The CERC issued the CERC (Procedure, Terms and Conditions for Grant of Trading Licence and Other Related Matters) Regulations, 2009, as amended (**Trading Licence Regulations**) to regulate the inter-State trading of electricity. The Trading Licence Regulations define inter-State trading as the transfer of electricity from the territory of one State for resale to the territory of another State, and includes electricity imported from any other country for resale in any State of India or exported to any other country subject to compliance with applicable laws and clearance by appropriate authorities. Under the Trading Licence Regulations, any person desirous of undertaking inter-State trading in electricity shall apply to the CERC for the grant of a licence. The Trading Licence Regulations set out various qualifications for the grant of a licence for undertaking electricity trading, including certain technical and professional qualifications, and net worth requirements. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' reports. The existing licensees are required to meet the net worth, current ratio and liquidity ratio criteria and are required to pay the licence fee as specified by the CERC, from time to time. The licensees need to submit monthly reports and annual returns on over-the-counter contracts and transaction volumes on a weekly basis.

Tariff Principles

Under the Electricity Act, the ERCs determine the tariff for the supply of electricity by a generating company (as well as for transmission, wheeling and retail sale of electricity). In case of a shortage of electricity supply, the ERC may fix the minimum and maximum tariff for sale or purchase of electricity, pursuant to an agreement entered into between a generating company and licensee or between licensees, for up to one year. The Electricity Act provides that the ERC shall adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Government. The MoP has issued detailed guidelines for competitive bidding as well as standard bidding documents for competitive bid projects. Under guidelines issued by the MoP, the determination of the tariff for a particular power project depends on the mode of participation in the project, being (i) the MoU route, based on tariff principles prescribed by CERC (cost plus basis, comprising capacity charge, energy charge, unscheduled interchange charge and incentive payments); or (ii) the competitive bidding route, where the tariff is market-based.

CERC (Terms and Conditions of Tariff) Regulations, 2014

The CERC (Terms and Conditions of Tariff) Regulations, 2014 as amended (the **CERC Tariff Regulations**) are applicable for the determination of the tariff between April 1, 2014 and March 31, 2019 for a generating station and a transmission system or its elements including communication systems used for inter-State transmission of electricity. They are not applicable to generating stations or inter-State transmission systems, where tariffs have been discovered through competitive bidding or determined in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017. The tariff for the supply of electricity from a thermal generating station shall comprise two parts, namely, capacity charge (for recovery of annual fixed cost) and energy charge (for recovery of fuel cost and limestone cost (where applicable)). The tariff for the supply of electricity from a hydro generating station shall comprise capacity charge and energy charge, for the recovery of annual fixed costs through the two charges. The tariff for the transmission of electricity on the inter-State transmission system shall comprise a transmission charge for the recovery of annual fixed costs. The capacity charges shall be derived on the basis of annual fixed costs and shall consist of the following components: (i) return on equity; (ii) interest on loan capital; (iii) depreciation; (iv) interest on working capital; and (v) operation and maintenance expenses. Energy charges shall be derived on the basis of the landed fuel cost of a generating station (excluding the hydro generation station) and shall comprise the following costs: (i) landed fuel cost of primary fuel; and (ii) cost of secondary fuel oil consumption.

Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009

The Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009 as amended (the **CERC Regulations**) provide various transmission products, standardize procedures, define timelines and ensure a level playing field between market players. They provide the procedures and requirements for obtaining connectivity to inter-State transmission systems, obtaining medium-term open access and obtaining long-term access. There have been amendments to the CERC Regulations in relation to the appointment of a principal generator on behalf of the renewable energy generating stations. The CERC Regulations were amended on February 17, 2017 changing the definition of long-term access and medium-term open access to extend the right to use inter-State transmission systems (**ISTS**) for a period exceeding seven years and a period equal to or exceeding three months but not exceeding five years, respectively.

Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010

The Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended (the **Inter-State Regulations**) implement a point of connection method of sharing the transmission charges of inter-State transmission systems in India for a five-year period, replacing the earlier system of regional postage stamps. These regulations provide that the yearly transmission charges, revenue requirements on account of foreign exchange rate variations, changes in interest rates, and losses will be shared among the users. All the users will be default signatories to the transmission service agreement, which also requires these users to pay the point-of-connection charge, which covers the revenue of transmission licensees. The point of connection tariffs are based on load flow analysis and capture the utilisation of each network element by the users. The Inter-State Regulations were amended on December 14, 2017 so no transmission charges and losses for the use of ISTS networks are payable for generation projects based on solar resources for 25 years if they fulfil prescribed conditions.

Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012

The Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012 as amended (the **Standard of Performance Regulations**) apply to all the inter- State transmission licensees to ensure compliance with performance standards and to provide for an efficient, reliable, coordinated and economic system of electricity transmission. The Standard of Performance Regulations also covers the methodology for calculating compensation in the case of loss on account of non-adherence.

National Electricity Policy, 2005

The National Electricity Policy was notified on 10 February 2005. This policy aims at accelerated development of the power sector, focusing on the supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources technology available to exploit these resources, economics of generation using different resources and energy security issues.

National Tariff Policy, 2016

In 2016, the Government, under the Electricity Act, notified the revised National Tariff Policy (the **Tariff Policy**) that replaced the tariff policy of 2006. The goals of the Tariff Policy are to ensure availability of electricity to consumers at reasonable and competitive rates, ensure the financial viability of the power sector, attract investment to the power sector, promote regulatory transparency, consistency and predictability across jurisdictions, minimize perceptions of regulatory risks, promote competition, ensure operational efficiency, improve the quality of the power supply, promote generation of electricity from renewable sources, promote hydroelectric power generation including pumped storage projects (**PSP**) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources, evolve a dynamic and robust electricity infrastructure for better consumer services, facilitate supply of adequate and uninterrupted power to all categories of consumers and ensure the creation of adequate capacity including reserves in generation, transmission and distribution in advance, for the reliability of supply of electricity to consumers. The Tariff Policy mandates that the relevant ERCs must reserve a minimum percentage for the purchase of solar energy equivalent to 8 per cent. of total consumption of energy by March 2022. In order to further encourage renewable sources of energy, the Tariff Policy mandates that no inter-State transmission charges and losses shall be levied until such period as may be notified on transmission of the electricity generated from solar power plants through the inter-State transmission system for sale. For transmission, the Tariff Policy aims to ensure optimal development of the transmission network with adequate margin for reliability, by efficient utilisation of generation and transmission assets and attracting investment providing adequate returns. The benefits of improved efficiency and new technology are passed on to consumers through reduced tariffs. It emphasizes the need for the appropriate regulator to ensure the recovery of all prudent costs when approving the financial restructuring of a transmission company.

The Tariff Policy requires that all future power requirements be procured competitively by distribution licensees except for expansion of pre-existing projects or State Government owned or controlled companies. Regulators must resort to tariffs set by reference to standards of the CERC, provided that the generating capacity expansion by private developers for this purpose is restricted to a one-time addition of not more than 100 per cent. of the existing capacity. Under the Tariff Policy, tariffs for all new generation and transmission projects are decided on a competitive bidding basis.

National Electricity Plan

National Electricity Plan 2012-2017

The Electricity Act requires CEA to frame a National Electricity Plan once in five years and revise such plan from time to time in accordance with the National Electricity Policy. CEA released a National Electricity Plan in January 2012 (the **12th Five Year Plan**), which covers the period from 2012-2017 and includes short-term and long-term demand forecasts for different regions, suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power, including voltage profile and environmental considerations, including rehabilitation and resettlement, integration of such possible locations with the transmission system and development of the national grid, including, type of transmission systems and requirements of redundancies, different technologies available for efficient generation, transmission and distribution and fuel choices based on economy, energy security and environmental considerations.

Draft National Electricity Plan 2017-2022

A committee was constituted in 2016 to create a 13th five year plan for India (the **13th Five Year Plan**) and the major highlights of the 13th Five Year Plan are as follows:

(a) 115 per cent. of the 12th Five Year Plan target for capacity addition from conventional sources has been met;

(b) revised renewable energy capacity target to 175 gigawatt (**GW**) by the year 2021-2022;

(c) incremental energy savings due to implementation of various energy saving measures, during the year 2016/17, 2021/22 and 2026/27 estimated to be 26 billion units (**BU**), 137 BU and 204 BU respectively over the year 2015-16;

(d) the projected peak demand is 235 GW and the energy requirement is 1,611 BU (after considering demand side management measures) at the end of year 2021/22 which is around 17 per cent. and 15.4 per cent. lower than the corresponding projections made by the 18th Electric Power Survey (**EPS**) issued by the MoP;

(e) the projected peak demand is 317 GW and energy requirement is 2132 BU at the end of year 2026/27 which is around 20.7 per cent. and 21.3 per cent. lower than the corresponding projections made by the EPS;

(f) no coal based capacity addition is required during the years 2017/22. Total capacity of 50,025 megawatt (**MW**) coal based power project is currently under different stages of construction and is likely to yield benefits during the period 2017/22. Total capacity addition during 2017/22 is likely to be 1,87,821 MW;

(g) demand projection for the period 2022/27 reveals a coal based capacity addition of 44,085 MW is required. Coal based capacity of 50,025 MW is already under construction which is likely to yield benefits during 2017/22, consequently this coal based capacity will fulfil the capacity requirement for the years 2022/27;

(h) expected that the share of non-fossil based installed capacity will increase to 46.8 per cent. by the end of 2021/22 and will further increase to 56.5 per cent. by the end of 2026/27 considering a capacity addition of 50,025 MW coal based capacity is already under construction and likely to yield benefits during 2017/22 and there will be no coal based capacity addition during 2022/27;

(i) adequate manufacturing facilities exist in India for the main plant equipment. The lack of orders is a concern of all equipment manufacturers;

(j) total fund requirement for generation capacity addition estimated to be ₹ 10, 33,375 crore during the period 2017/2022 which includes the funds required for the renewable energy sources capacity addition, as well as the expenditure made during this period for projects during the years 2022/27;

(k) total fund requirement for 2022/2027 is estimated to be ₹ 6,05,965 crore excluding advance action for projects coming up during the period 2027/2032; and

(l) estimated that 6.073 million tonnes of carbon dioxide emissions have been avoided during 2015/16 due to the commissioning of super-critical technology based coal power plants.

The Central Electricity Authority (**CEA**) has revised the National Electricity Plan (**NEP**) after receiving feedback from more than 30 state-owned and private institutions, mostly questioning the redundancy of coal. To retire coal-based power completely, according to the CEA, India would need 6,440 Mw thermal power during 2017-22. In the earlier version of the NEP, which was released in 2017, the CEA had stated that the country did not need coal-based capacity addition until 2022.

Government Initiatives and Policies

Power for All – "24 x 7 POWER FOR ALL" PROGRAM (A Joint Initiative of Central Government and State Governments)

The 24 x 7 program is joint initiative of the Government of India which is proposed to include participation of all States and Union Territories to facilitate 24 x 7 power for all, including households, industry, commercial businesses, public needs, agriculture & any other electricity consuming entity by 2019.

Program Objectives:

(i) Reliable 24x7 supply to domestic, industrial and other consumers.

(ii) Adequate power supply to agricultural consumers.

(iii) To provide access to electricity to all unconnected households in next five years i.e. by FY 2018-19.

To meet the above objectives, a state specific roadmap for '*Power for All*' has been finalized in consultation with the states in the form of the Power for All (**PFA**) documents. The PFA document covers:

(i) **Generation:** To ensure adequate capacity addition planning and tie ups for power from various sources at affordable prices to meet the projected increase in power demand for the future.

(ii) **Transmission:** Strengthen the transmission (inter-state or intra-state) network to cater to the expected growth in demand of existing as well as new consumers.

(iii) **Distribution:** Providing access to all households along with the creation of a new distribution network or strengthening of existing infrastructure.

(iv) **Financial Viability:** Financial measures including optimizing investments and undertaking necessary balance sheet restructuring measures to ensure liquidity in the utility finances. To ensure reduction of aggregate technical and commercial losses as per the agreed loss reduction trajectory.

(v) **Renewable Energy:** Plan for enhancement of renewable energy sources along with an associated evacuation system (including the green energy corridor which aims at synchronising electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid).

(vi) **Energy Efficiency:** Adoption of various energy efficiency measures like replacement with energy efficient agriculture pumps, encouraging use of light-emitting diode bulbs, solar street lights etc.

All 29 States and seven Union Territories have signed these roadmap PFA documents to achieve the target of providing reliable, affordable and quality power to consumers by 2018-19.

Expectation from the State

States are required to take the following actions:

(i) Bring to the notice of the central government such issues that require assistance from any central ministry or need coordination between various ministries.

(ii) Adopt best practices and emulate other States which have come up with innovative approach in providing electricity to every households.

(iii) Explore possibilities of using renewable energy sources in providing electricity to remote areas where the extension of grid connection is not viable.

(iv) Approach the central government for assistance in arranging gap funding requirement, if any.

(v) Constitute a monitoring team to review progress of the projects regularly.

(vi) Appoint a dedicated nodal officer for regular coordination with the Central Project Monitoring Unit at the Ministry of Power so that central and state government always remain coordinated in fulfilling the mission of 24X7 PFA.

Monitoring Mechanism

States are supposed to implement the following:

(i) Paperless monitoring of the "24x7 Power For All" mission.

(ii) A Central Programme Monitoring Unit under the chairmanship of the Joint Secretary (Distribution) with the Executive Director (T&D). The Company as convener has been constituted with officials from REC, PFC, NHPC and CEA.

(iii) Each State to appoint a nodal officer for monitoring of the PFA programme.

(iv) Monitoring of the PFA Programme is being performed entirely through a dedicated web portal.

National Solar Mission

The Ministry of New and Renewable Energy (**MNRE**) has approved a new policy on the development of solar energy in India by the Jawaharlal Nehru National Solar Mission (**Mission**). The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022 and is aimed at reducing the cost of solar power generation in the country through: (i) long term policy; (ii) large scale deployment goals; (iii) aggressive research and development; and

(iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by 2022. The mission will create an enabling policy framework to achieve this objective and make India a global leader in solar energy. The Government has revised the target of grid connected solar power projects from 20,000 MW by the year 2021-22 to 100,000 MW by the year 2021-22 under the Mission.

ENVIRONMENTAL LAWS

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974 as amended, the Air (Prevention and Control of Pollution) Act, 1981 as amended and the Environment Protection Act, 1986 as amended (the **EPA**). The Pollution Control Boards (**PCBs**), which are vested with diverse powers to deal with water and air pollution, have been set up in each State to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The Ministry of Environment, Forest and Climate Change ("**MoEF**"), through its notification dated September 14, 2006, issued the environmental impact assessment notification (the **EIA Notification**) (which supersedes the notification dated January 27, 1994 – except in respect of acts done/omitted to be done before such supersession) pursuant to the provisions of the EPA. Projects and activities have been classified into two categories, category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man- made resources.

An amendment has been proposed to the EPA by way of the Environmental Laws (Amendment) Bill, 2015. Currently, the maximum fine that can be imposed on a polluting industry or other entities is ₹ one lakh and a jail sentence of up to five years. Even this requires the Government agencies to first file a complaint with a magistrate at the district level and secure a favourable order against the polluter. It is proposed in the amendment that the amount of fines for a polluting industry will be increased from ₹ one lakh to ₹ one crore and the fine is to be imposed without going through a judicial process prescribed in the current law. A designated officer is the final authority to decide. The amendment also envisages to make pollution a civil offence for which the Government can demand costs from polluters without taking recourse to courts.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 as amended (the **Water Act**) aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a Central Pollution Control Board and for various State Pollution Control Boards to be constituted to implement its provisions. The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system likely to discharge sewage or trade effluents into a water body, without prior consent of the State Pollution Control Board (the **SPCB**). In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 as amended (the **Air Act**) under which any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must obtain consent from the SPCB prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 as amended fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

LAWS RELATING TO INTELLECTUAL PROPERTY

In India, trademarks enjoy protection under both statutory laws and common law jurisprudence. The Trademarks Act, 1999 as amended (the **Trademarks Act**) and the Copyright Act, 1957 as amended among others govern the law in relation to intellectual property, including brand names, trade names and service marks and research works. The Trademarks Act governs the statutory protection of trademarks in India. The Trademarks Act governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of ten years, and can be renewed in accordance with the specified procedure.

TAX LAWS

Income Tax Act, 1961

Income Tax Act is applicable to every domestic and foreign company whose income is taxable depending upon its 'residential status' and 'type of income' involved.

Goods and Services Tax ("GST")

The Government brought about significant transformation in Indian indirect tax regime by introducing GST, which came into force from 1 July 2017. Under the GST, unified structures have been introduced to expand the tax base, rationalise the input tax credit and harmonise the current multiple indirect taxation laws in India. GST has replaced the indirect taxes previously levied by the Central and state Governments on goods and services, such as, central excise duty, service tax, customs duty, central sales tax, state VAT, and other cesses and surcharges applicable to supply of goods and services. All these erstwhile taxes have been subsumed in a single indirect tax called GST, which is levied on supply of goods and/or services at each stage of the supply chain.

HISTORY AND CERTAIN CORPORATE MATTERS

CONSTITUTION

Power Finance Corporation Limited ("**Company**" or "**PFC**") was incorporated on July 16, 1986 under the Companies Act, 1956 as a public limited company, registered with the Registrar of Companies, National Territory of Delhi and Haryana ("**RoC**"), and received the certificate for commencement of business on December 31, 1987. Further, the Company was incorporated to finance, facilitate and promote India's power sector development and was notified as a public financial institution under section 2 (72) of Companies Act, 2013 (erstwhile section 4A of Companies Act, 1956) on August 31, 1990. The Company is a systemically important non-deposit taking non-banking financial company ("**NBFC**") registered with the Reserve Bank of India ("**RBI**") under section 45 IA of the RBI Act, 1934 bearing registration number 14.00004 dated February 10, 1998. On July 28, 2010, the Company was classified as an Infrastructure Finance Company ("**IFC**") vide registration certificate number B-14.00004. The Company was also conferred with the 'Mini Ratna' (Category – I) status on September 15, 1998 and on June 22, 2007, the Company was notified as a Navratna company by the government of India ("**GoI**").

CHANGES IN THE REGISTERED AND CORPORATE OFFICE

The registered office of the Company is currently situated at "Urjanidhi", 1 Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. At the time of incorporation, the registered office of the Company was situated at Room No. 627, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110 001, India. On March 25, 1988, the registered office of the Company was shifted to Chandralok, 36, Janpath, New Delhi - 110 001, India. Subsequently, on September 23, 2006, the registered office of the Company was shifted to the current registered office address for ensuring administrative and operational efficiency.

MAJOR EVENTS AND MILESTONES

Calendar Year	Event
1986	Incorporation of the Company.
1988	Commenced lending activities.
1990	Declared as a public financial institution under section 4A of Companies Act, 1956.
1996	Started funding private power projects.
1998	• Registered as a NBFC with RBI; • Declared as a Mini Ratna (category I) public sector undertaking by the GoI.
1999	Promoted Power Trading Corporation of India (now PTC India Limited) as a joint venture with NTPC, NHPC and Power Grid Corporation.
2007	• Declared as a Navratna Public Sector Undertaking ("**PSU**") on June 22, 2007; • Initial Public Offer ("**IPO**") of equity shares with listing on both Bombay Stock Exchange ("**BSE**") and National Stock Exchange ("**NSE**").
2008	• Appointed as the nodal agency for R-APDRP; • Incorporated PFC Consulting Limited (PFCCL) as wholly owned subsidiary.
2010	Registered by RBI as "NBFC-ND-IFC" (Infrastructure finance company)
2011	Public issuance of long-term infrastructure bonds.
2012-13	Issued tax free bonds of 10 (ten) and 15 (fifteen) years tenors.
2014	• Crossed ₹ two trillion loan assets; • Appointed as nodal agency for Integrated Power Development Scheme ("**IPDS**").
2015	• Incorporation of a subsidiary, namely Bihar Mega Power Limited on July 9, 2015, for the development of ultra-mega power projects; • Incorporation of two other subsidiaries, namely Deoghar Infra Limited & Bihar Infrapower Limited on June 30, 2015, for the development of ultra-mega power projects; • PFC received "India Pride PSU Award 2015-16".
2016	• 'SCOPE Gold Trophy for Good Corporate Governance for the year 2014-15' to Mr. Rajeev Sharma, CMD.
2017	• Crossed annual sanctions of ₹ one trillion; • Issued 54 EC Capital Gain Bonds; • Issued $ 400 million 10 years Reg S green bonds.
2018	• Issued $ 300 million 10Y Reg S bonds; • Issued $ 500 million 10Y Reg S/ 144A bonds under GMTN program.

Calendar Year	Event
2019	• Acquired 52.63% equity stake in REC Limited; • Annual profit of the Company crossed USD one billion*.

* exchange rate (INR/USD) as of 31st March of respective fiscal year.

The Company is not operating under any injunction or restraining order.

Strikes or Labour Unrest

The Company has till date, not lost any time on account of strikes or labour unrest or lock outs.

AWARDS AND ACCREDITATIONS

A few select awards and accreditations received by the Company are as follows:

Calendar Year	Awards/Accreditations
2017	• Rajbhasha Kirti Pratham Puraskar received by Mr. Rajiv Sharma, Chairman & Managing Director. • PFC's Urja App won the "One Globe Award for Excellence in enabling a mobile economy". • "SCOPE Gold Trophy for Good Corporate Governance"- 2017. • Amar Ujala "CSR Award"-2017. • First prize in "Annual Report" category at SCOPE CC Awards.
2018	• Construction industry development council's 'Partners in progress' Trophy for the year 2018. • Rajbasha Kirti Prathan Puraskar' (in category of Region 'A').
2019	• CBIP Award 2019 for 'Best Power Finance Company. • 6th Governance Now Best PSU Award (Navratna)-2019. • Mr. N.B. Gupta, Director (Finance), PFC won the 12th ICAI's Leaders and Business Excellence Awards for his dynamic and outstanding leadership. • Dun & Bradstreets' "India's Leading NBFC (2019) Award" in the "Infrastructure Financing". • CMD PFC honoured with Energy Service Award. • SCOPE Corporate Communication Excellence Award 2019 in the "Best Annual Report Category". • PFC wins the Dun & Bradstreet (D&B) Award for Best PSU in 'Financial Services'. • CMD, PFC received the Hindi Award.

Main objects

The main objects as contained in Clause III A of the memorandum of association, *inter alia*, are:

(1) To finance power projects, in particular thermal and hydroelectric projects;

(2) To finance power transmission and distribution works;

(3) To finance renovation and modernization of power plants aimed at improving availability and performance of such plants;

(4) To finance system improvement and energy conservation schemes;

(5) To finance maintenance and repair of capital equipment including facilities for repair of such equipment, training of engineers and operating and other personnel employed in generation, transmission and distribution of power;

(6) To finance survey and investigation of power projects;

(7) To finance studies, schemes, experiments and research activities associated with various aspects of technology in power development and supply;

(8) To finance promotion and development of other energy sources including alternate and renewable energy sources;

(9) To promote, organize or carry on consultancy services in the related activities of the Company;

(10) To finance manufacturing of capital equipment required in the power sector; and

(11) To finance and to provide assistance for those activities having a forward and backward linkage, for the power projects, including but not limited to, such as development of coal and other mining activities for use as a fuel in power project, development of other fuel supply arrangements for power sector, electrification of railway lines, laying of railway lines, roads, bridges, ports and harbours, and to meet such other enabling infrastructure facilities that may be required.

The object incidental or ancillary to the attainment of the main object include the following:

(1) To administer the moneys received from time to time as grants or otherwise for the purpose of the Company.
(2) To borrow or raise money or to receive money on deposit or loan at interest or otherwise in such manner as the company may think fit and in particular by the issue of debentures, bonds or debentures stock, perpetual or otherwise and convertible into shares of this or any other company and to secure the repayment of such money borrowed, raised or received or owing by mortgage, pledge, charge or lien upon or any other property, assets or revenue of the company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the company, of any obligation undertaken by the company or any other person, firm or company, as the case may be and to pay commission, fees, brokerage in respect thereof.
(3) To borrow, for purposes of the company foreign currency or to obtain foreign lines of credit including commercial loans from any bank or financial institution or Government/Authority in India or abroad.
(4) To develop appropriate criteria of financing power projects including in particular criteria for securing a balanced growth of power in all the regions and to optimise power development and supply.
(5) To assign the financial resources more closely with physical requirements of projects in accordance with the national priorities and to secure satisfactory power supply in terms of availability, reliability and quality.
(6) To promote efforts aimed at securing an integrated and efficient power system in accordance with the national policies and priorities and removing critical bottlenecks in power generation, transmission and distribution.
(7) To develop appropriate systems for appraisal of the projects to be financed with particular reference to the techno-economic aspects, availability of managerial competence for proper implementation and financial viability in relation to approved criteria from time to time and to exercise such control and to stipulate such conditions as may be considered necessary for securing sound project construction, management and suitable technical and financial standards.
(8) To develop appropriate concepts and criteria for economic and financial justification of projects and for monitoring implementation of the projects in relation to determined targets and for operation of power plants and systems aimed at attaining greater discipline and efficiency.
(9) To secure close coordination with agencies involved in the power development programmes as necessary for expeditious, effective and timely e6mpletion of the projects financed.
(10) To secure compliance with the requirements of the relevant laws, rules and regulations with respect to power projects and for such other matters related thereto including clearance and technical scrutiny by the Central Electricity Authority.
(11) To ensure, as a pre-condition for approval of any loans, in respect of inter-State Power Projects or projects of regional importance, the existence of necessary agreement for sharing of power between the participating States.
(12) To act upon such direction or directions on matters related to conduct of business or affairs of the company including in particular on matters concerning identification of projects, choice of schemes, regional priorities, technical, financial, economic, managerial standards and norms for the purpose of financing as may from time to time be given to the company by the President.
(13) To construct, execute, carry out, improve work, develop, administer, manage or control works which expression in this Memorandum includes electric, light, power, telephonic, telegraphic and power supply works and all other works or conveniences, whatsoever.
(14) To enter into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sublet any contracts from time to time.
(15) To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Development Fund, or any other special Fund, whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.
(16) To establish, provide, maintain and conduct, experimental workshops for scientific and technical experiments, to undertake and carry on scientific and technical experiments and tests of all kinds, to promote studies, scientific and technical, investigations, and inventions by providing, subsidising, engaging or assisting workshops, libraries, lectures, meetings and conferences and generally to encourage, promote and reward studies, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on.

(17) To provide for the welfare of the employees or ex-employees of the company and the wives, widows and families or the dependents of connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grant of money, pensions and allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places or instruction and recreation, hospitals and dispensaries, medical, education and other assistance as the company may think fit and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.

(18) To guarantee the payment of money unsecured or secured, to guarantee or to become sureties for the performance of any contract or obligations.

(19) To enter into any arrangements or agreements with the Government of India, or any local or State Government in India or with any authorities local or otherwise including foreign institutions, associations and agencies or with other persons that may seem conducive to the company's objects or any of them and to obtain from them any rights, powers and privileges, licences, grants, concessions and assistance which the company may think it desirable to obtain or to carry out, exercise and comply with any such arrangements, agreements, rights, privileges and concessions.

(20) To invest and deal with the moneys of the company in any of the securities, shares, investments, properties, movable and immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.

(21) To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient, and in particular to persons having dealings with the company.

(22) To make, draw, accept, endorse, execute, and issue cheques, promissory notes, bills of lading, debentures and other negotiable or transferable instruments.

(23) To pay for any properties, rights or privileges acquired by the company either in shares of the company or partly in shares and partly in cash.

(24) To open accounts with any individual, firm or company or with any bank or bankers or shroffs and pay into and withdraw moneys from such accounts.

(25) To acquire or take over with or without consideration and carry on the business of agents by themselves or in partnership with others or companies or partnerships or concerns whose objects may be similar, in part or in whole, to those of the company.

(26) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this company and to acquire or hold shares therein.

(27) To let out on hire all or any of the property of the company whether movable or immovable including all and every description of apparatus or appliances.

(28) To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint ventures or reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in, or about to carry on or engage in any business or transactions which this company is authorised to carry on or engage in any business, undertaking or transactions which may seem capable of being carried on or conducted so as to directly or indirectly benefit this company.

(29) To train and pay for the training in India or abroad any of the company's employees or any candidate or to recruit and employ experts in the interests of or furtherance of the company's objects.

(30) To sell, let, exchange or otherwise deal with the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any other company having objects, altogether or in part similar to those of this company.

(31) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of property and rights of the company.

(32) To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit this company or form any subsidiary company or companies.

(33) To receive grants, loans, advances, or other moneys on deposit, or otherwise from State or Central Government, Banks, Companies, Trusts, institutions, associations, individuals with or without allowance of interest thereon.

(34) To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Act of Authority in India or any other part of the world for enabling the company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend any of the objects of the company or for any other purposes which may seem expedient and to oppose any proceedings or applications or any other endeavours, steps or measures, which may seem calculated directly or indirectly to prejudice the company's interests.

(35) To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidence of indebtedness or the right to participate in profits or other similar documents

issued by any Government, authority, corporation or body or by any company or body of persons and any option or right in respect thereof.

(36) To act as an agent of the Government or public sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any company engaged in the planning, investigations, research, design and preparation of preliminary feasibility/and detailed project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Government, public financial institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.

(37) Generally, to do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.

The objects clause and the objects incidental or ancillary to the main objects of the memorandum of association enable the Company to undertake the existing activities and the activities for which the funds are being raised through this issue.

Signatories to the memorandum of the Company and the number of shares subscribed by them

Provided below are the subscribers to the memorandum and the shares subscribed by each person:

S. No.	Name of Subscriber	Address Description and Occupation, if any	No. of shares taken
1.	President of India through Mr. M.M Kohli S/o Late Mr. S.B.C. Kohli	Secretary, Ministry of Energy, Department of Power, New Delhi	One
2.	Mr. Satish Khurana S/o Late Mr. Ganeshi Lal Khurana, Satish Khurana	Joint Secretary & Financial Adviser, Ministry of Energy, Department of Power, New Delhi	One
3.	Mr. K. Padmanabhaiah, S/o Mr. K. Janakiramayya	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
4.	Mr. J. C. Gupta, S/o Late Mr. Prakash Chandra Gupta	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
5.	Mr. A. K. Mago, S/o Late Mr. K. N. Mago	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
6.	Mr. M. K. Sambamurti S/o Late Mr. M. S. Krishnaswamy Iyer	Chairman, Central Electricity Authority, New Delhi	One
7.	Mr. S. A. Subramanian S/o Late Mr. A. Sundaresan	Member (Thermal), Central Electricity Authority, New Delhi	One

JOINT VENTURE

ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited ("**EESL**") was incorporated as a public limited company on December 10, 2009 under the Companies Act, 1956. EESL intends to focus on energy efficiency and climate change initiatives. As on March 31, 2019, the Company has invested ₹ 245.50 crore in EESL. The Company had entered into a joint venture agreement with National Thermal Power Corporation, Power Grid Corporation of India Limited and Rural Electrification Corporation Limited on November 19, 2009 for incorporation of EESL as an implementation arm of the National Mission of Enhanced Energy Efficiency, which is a part of the National Action Plan on Climate Change. In line with the joint venture 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. Consequent upon acquisition of controlling stake in REC Limited on March 28, 2019, EESL was reclassified from associate to a subsidiary company during the fiscal year 2019 as the Company held 58.06% ownership interest (36.36% through the Company's own share and 21.70% through the Company's subsidiary REC

Limited) as on March 31, 2019. EESL remained as a subsidiary of the Company as on June 30, 2019 as the Company further held 52.37 % ownership interest (27.73% through the Company's own share and 24.64% through the Company's subsidiary REC Limited). The shareholding pattern of the Company as on September 17, 2019 provides that PFC hold 47.15% ownership interest (24.97% through the Company's own share and 22.18% through the Company's subsidiary REC Limited) in EESL and thus, ESSL is considered as a joint venture of the Company as on September 17, 2019.

ENTITIES IN WHICH THE COMPANY HAS EQUITY INVESTMENT AS ON JUNE 30, 2019

A. PTC INDIA LIMITED (formally known as Power Trading Corporation of 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 GoI initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country. PTC has reported profit after tax of ₹ 262.32 crore for the financial year 2018-19.

B. 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.

C. NHPC LIMITED

PFC has initially invested 26,05,42,051 equity shares of NHPC Limited at the rate of ₹ 21.78 per share (including securities transaction tax, brokerage and other charges) amounting to ₹ 567.50 crore in April 2016 during disinvestment by GoI through offer for sale route. PFC has sold 1,70,31,445 number of equities shares as on June 30, 2019. As on June 30, 2019 PFC holds 24,35,10,606 equity shares of NHPC Limited with an investment amount of ₹ 530.39 Crore.

D. COAL INDIA LIMITED

PFC has invested 1,39,64,530 equity shares of Coal India Limited at the rate of ₹ 358.58 per share (including securities transaction tax, brokerage and other charges) amounting to ₹ 500.74 crore in February 2015 through offer for sale route. As on June 30, 2019, PFC holds 1,39,64,530 equity shares of Coal India Limited with an investment amount of ₹ 500.74 Crore and with a valuation of ₹ 354.42 Crore.

E. 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.

F. SMALL IS BEAUTIFUL FUND (SIB)

The Small is Beautiful fund is a SEBI-registered venture capital fund managed by KSK Investment Advisor Private Limited, a private sector power developer. The Small is Beautiful fund takes up equity exposure in power generation projects. As of June 30, 2019, PFC's outstanding investment in this fund is ₹ 6.15 crore.

G. GMR CHHATTISGARH ENERGY LIMITED

PFC had sanctioned a financial assistance of ₹ 1090 crore to GMR Chhattisgarh Energy Limited ("**GMR**") for setting up of 2 x 685 MW TPS in Chhattisgarh. Due to the non-payment of dues, lenders invoked the strategic debt restructuring in the project on July 29, 2016. All the lenders converted part of their outstanding dues to equity. PFC has also converted part of outstanding debt and interest dues amounting to ₹ 275 crore (principal loan balance: ₹ 161.93 crore and overdue interest: ₹ 113.07 crore) into equity having a face value of ₹ 10 per share on February 23, 2017. Post-acquisition of GMR, 100% provision was maintained against the investment under Indian generally accepted accounting principles leaving the value as ₹ 1 as per RBI prudential norms. PFC has adopted IND-AS with respect to June 1, 2018 and accordingly the 100 % provision made towards GMR equity was transferred to retained earnings as per IND-AS principal and the equity investment was valued at ₹ 1 as on June 30, 2019 as per RBI prudential norms.

DETAILS OF SUBSIDIARIES AND THEIR SPECIAL PURPOSE VEHICLES AS ON JUNE 30, 2019

A. REC Limited

During financial year 2018-19, PFC 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 ("**REC**") at ₹ 139.5036 per share for a total cash consideration of ₹ 14,500 crore on March 28, 2019. By virtue of this investment, PFC has become the holding company of REC. REC is also engaged in extending financial assistance to power sector and is a Systemically Important (Non Deposit Accepting or Holding) NBFC registered with RBI as an IFC. Before the said acquisition, PFC has shareholding of 95,904 equity shares in REC. As on June 30, 2019, PFC holds 1,039,495,247 equity shares of REC.

B. POWER EQUITY CAPITAL ADVISORS PRIVATE LIMITED

Power Equity Capital Advisors Private Limited ("**PECAP**") was incorporated on March 25, 2008 under the Companies Act, 1956 with an authorized share capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. PECAP has been incorporated to provide advisory services pertaining to equity investments in the Indian power sector. As on June 30, 2019, PFC holds 100% of the issued and paid up equity capital of ₹ 5,00,000 of PECAP and PECAP is a wholly owned subsidiary of PFC. Ministry of power, GoI vide its letter no F.No.7/13/2012-PFC Desk (1) dated March 19, 2019 has conveyed its approval for dissolving/ struck off the name of PECAP from the records of RoC under the provisions of section 248 to 252 of the Companies Act, 2013. The same is under process.

C. PFC Consulting Limited

PFC Consulting Limited ("**PFCCL**") is a wholly owned subsidiary of the Company. PFCCL was incorporated on March 25, 2008 under the Companies Act, 1956 with an authorized share capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. The corporate identification number of PFCCL is U74140DL2008GOI175858. The registered office of PFCCL is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. PFCCL has been incorporated to carry on, promote and organize consultancy services related to the power sector. Presently, the consultancy services being undertaken by PFCCL comprise of assignments from state power utilities, licensees/ IPPs, State Government, PSUs and state electricity regulatory commissions. As on June 30, 2019, PFC (including its nominees) holds 100% of the issued and paid up equity capital of PFCCL.

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 ministry of power, 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 Goods and Service Tax ("**GST**").
- Energy portfolio management.
- LIE, LIA & TEV study.

Till June 30, 2019, consultancy services have been rendered to 68 clients spread across 24 States/ union territories by PFCCL. The total number of assignments undertaken as on June 30, 2019 is 125.

Further, during the financial year 2018-19, the total income of PFCCL was ₹ 70.17 crore vis-à-vis ₹ 79.73 crore in the previous financial year 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 financial year 2018-19 was ₹ 22 crore as against the corresponding net profit of ₹ 26.88 crore during the financial year 2017-18.

As on June 30, 2019, the following Special Purpose Vehicles ("**SPVs**") have been incorporated as subsidiaries/ deemed subsidiaries of the Company:

Sr. No.	Name of Special Purpose Vehicle
1.	Chhattisgarh Surguja Power Limited (Previously known as Akaltara Power Limited)
2.	Coastal Karnataka Power Limited
3.	Coastal Maharashtra Mega Power Limited
4.	Coastal Tamil Nadu Power Limited
5.	Orissa Integrated Power Limited
6.	Sakhigopal Integrated Power Company Limited
7.	Ghogarpalli Integrated Power Company Limited
8.	Tatiya Andhra Mega Power Limited
9.	Deoghar Mega Power Limited
10.	Odisha Infra Power Limited
11.	Cheyyur Infra Limited
12.	Deogarh Infra Limited
13	Bihar Infra Power Limited
14.	Bihar Mega Power Limited
15.	Jharkhand Infrapower Limited
	Subsidiaries of PFCCL
1.	Ballabhgarh-GN Transmission Company Limited
2.	Tanda Transmission Company Limited
3.	Mohindergarh-Bhaiwani Transmission Limited
4.	South-Central East Delhi Power Transmission Limited
5.	Bijawar-Vidarbha Transmission Limited
6.	Shongtong Karcham-Wangtoo Transmission Limited
7.	Vapi II-Lakhimpur Transmission Limited
9.	Bhuj -II Transmission Limited
10.	Fatehgarh-II Transco Limited
11.	Lakadia-Vadodara Transmission Limited
12.	Meerut-Simbhavali Transmission Limited
	Subsidiaries through REC
1.	REC Power Distribution Company Limited
2.	REC Transmission Projects Company Limited
3.	Dinchang Transmission Limited
4.	Koderma Transmission Limited
5.	Chandil Transmission Limited
6.	Mandar Transmission Limited
7.	Dumka Transmission Limited
8.	Bhind-Guna Transmission Limited
9.	Jam Khambaliya Transco Limited
10.	Udupi Kasargode Transmission Limited
11.	Ajmer Phagi Transco Limited

12.	Khetri Transco Limited
13.	WRSS XXI (A) Transco Limited
14.	Lakadia Banaskantha Transco Limited
	Subsidiaries through EESL
1.	Creighton Energy Limited
2.	EESL EnergyPro Assets Limited
3.	Edina Acquisition Limited
4.	Anesco Energy Services (South) Limited
5.	Edina Limited
6.	EPAL Holdings Limited
7.	Edina Australia Pty Limited
8.	Edina Power Services Limited
8.	Stanbeck Limited
10	Edina UK Limited
11.	Edina Power Limited
12.	Armoura Holdings Limited
13.	Edina Manufacturing Limited

Material Agreements

A. Memorandum of Understanding ("MoU") with REC

In terms of the MoU guidelines of Department of Public Enterprises ("**DPE**"), GoI, our Company entered into a MoU with REC on June 14, 2019 wherein targets under various performance indicators are specified for achievement during the financial 2019-20. The performance of the organisation is evaluated against these targets. A share purchase agreement dated March 20, 2019 was also entered into between the Company and the GoI for the transfer of 52.63% of share capital of REC to the Company.

B. MoU with Government of India

The Company signed a performance-based MoU with the ministry of power, GoI during the financial year 2019-20 detailing various targets to be achieved by the Company and containing various parameters which are financial in nature, IPDS related parameters etc. The Company has been consistently accorded 'Excellent' Rating by Government of India since financial year 1993-94 except for financial year 2004-05. For the financial year 2017-18, the company was accorded 'Excellent rating'. The rating for financial year 2018-19 is still awaited.

OUR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, the number of Directors shall not be less than three and not more than 15. As on date of this Draft Shelf Prospectus, there are eight Directors on our Board consisting of four whole- time Directors including the Chairman & Managing Director, one Government Nominee Director and three independent Directors. The appointment, as well as terms and conditions of appointment of all the directors as well as the terms and conditions of the employment of whole-time Directors including the Chairman & Managing Director are done by GoI.

The following table sets forth details regarding the Board as on date of this Draft Shelf Prospectus:

S. No.	Name, Designation, DIN, Nationality, Age and Occupation	Address	Director of our Company since	Other Directorships
1.	**Mr. Rajeev Sharma** Designation: Chairman & Managing Director (Whole-time Director) DIN: 00973413 Nationality: Indian Age: 59 years Occupation: service	Q-8, Hauz Khas Enclave, New Delhi-16	October 1, 2016	• PFC Consulting Limited • Energy Efficiency Services Limited
2.	**Mr. Naveen Bhushan Gupta** Designation: Director (Finance) (Whole-time Director) DIN: 00530741 Nationality: Indian Age: 59 years Occupation: service	110, Madhur Jeewan Apartment, Plot no. 34, Sector-lO, Dwarka, New Delhi - 110075	August 18, 2017	• 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 • PTC India Limited
3.	**Mr. Praveen Kumar Singh** Designation: Director (Commercial) (Whole-time Director) DIN: 03548218 Nationality: Indian Age: 57 years Occupation: service	C-9/9844, Vasant Kunj, Delhi-110070	August 10, 2018	• Coastal Karnataka Power Limited • Sakhigopal Integrated Power Company Limited • REC Limited • Jharkhand Infra Power Limited • Ghogarpalli Integrated Power Co Limited • PFC Consulting Limited • Orissa Integrated Power limited

S. No.	Name, Designation, DIN, Nationality, Age and Occupation	Address	Director of our Company since	Other Directorships
4.	**Mr. Ravinder Singh Dhillon** Designation: Director (Projects) (Whole-time Director) DIN: 00278074 Nationality: Indian Age: 56 years Occupation: service	E-1/11, Vasant Vihar, New Delhi-110057	June 12, 2019	• Jammu and Kashmir State Power Development Corporation Limited • Power Equity Capital Advisors Private Limited
5.	**Mr. Mritunjay Kumar Narayan** Designation: Government Nominee Director DIN: 03426753 Nationality: Indian Age: 49 years Occupation: government service	05, Type VI, Near VIP guest House, Dalibagh Officers Colony, Dalibagh, Lucknow, Uttar Pradesh – 226 001	His appointment has been approved by the GoI with effect from August 28, 2019	• REC Limited • PTC India Limited
6.	**Mr. Sitaram Bhanwarlal Pareek** Designation: Independent Director DIN: 00165036 Nationality: Indian Age: 67 years Occupation: practicing chartered accountant	501, Satyaprasad, CHSL, Dixit Cross Road, No.1, Vile Parle(East), Mumbai-400057	February 6, 2017	• Shree Chakra Properties and Investment Private Limited
7.	**Ms. Gouri Chaudhury** Designation: Independent Director DIN: 07970522 Nationality: Indian Age: 77 years	1/62, Dover Place, Ballygunge, Circus Avenue, Kolkata, West Bengal -700019	November 3, 2017	• Nil

S. No.	Name, Designation, DIN, Nationality, Age and Occupation	Address	Director of our Company since	Other Directorships
	Occupation: social worker			
8.	**Mr. R.C. Mishra** Designation: Independent Director DIN: 02469982 Nationality: Indian Age: 66 years Occupation : retired civil servant	2603, Imperial Tower 3, Jaypee Greens Wish Town, Sector 128, Noida-201304, Uttar Pradesh	July 11, 2019	• Nil

Brief Profiles of the Directors

Mr. Rajeev Sharma, 59 years, is the Chairman and Managing Director (CMD) of PFC. He holds a 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. Mr. Sharma has more than 34 years of varied power sector experience. He has experience in 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.

Mr. 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 Limited and Power Finance Corporation Limited. 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.

Mr. 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), Mr. Singh, has served as Executive Director (Projects) in PFC.

Mr. 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 Limited on June 12, 2019. Before joining PFC, Mr. Dhillon worked with Bharat Heavy Electricals Limited and Central Electricity Authority. 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.

Mr. Mritunjay Kumar Narayan, 49 years, is Government Nominee Director on the board of our Company. He is an IAS officer of 1995 Uttar Pradesh Cadre and is a Joint Secretary in Ministry of Power. He has a B. Tech and an M. Tech in Electrical Engineering from Indian Institute of Technology (IIT), Kanpur. He has done M.Sc. in Public Policy and Management from King's College London and is also a law graduate. In a career span of about 24 years, he has had experience of working in various position in the State of Uttar Pradesh. Prior to joining Ministry of Power as Joint Secretary, he had been Secretary to the Hon'ble Chief Minister, Uttar Pradesh for two years and a quarter.

Mr. Sitaram Bhanwarlal Pareek, 67 years, holds a Bachelor of Commerce degree. 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.

Ms. Gouri Chaudhury, 77 years, is an Independent Director on the Board of PFC since November 3, 2017. She is an M.A. in English and Sangeet Prabhakar (Sitar). She is a social worker and has been a member of the Telephone Advisory Board (TAC) and a member of the Film Censor Board.

Mr. R.C. Mishra, 66 years, started his career as a Management Trainee in the Punjab National Bank in 1977. Subsequently he joined the IAS in 1978. He holds a Master's degree in Science from University of Allahabad and a Master's degree in Business Administration from the University of Ljubljana, Slovenia. During his long career spanning around four decades, he held several important positions in various Public Enterprises/ Institutions, in the State Government of Manipur and the Government of India including Additional Secretary, Ministry of Urban Development, Government of India, Executive Director, Broadcasting Corporation of India (Prasar Bharati) and Joint Secretary, Ministry of Information and Broadcasting, GoI.

Relationship with other Directors

None of the Directors of our Company are related to each other.

Borrowing powers of our Directors

Subject to the Memorandum and Articles of Association and pursuant to a resolution of our shareholders passed on August 19, 2016 under Section 180(1)(c) of the Companies Act, 2013, our Board is authorised to borrow up to a total amount of ₹ 4,00,000 crore in Indian rupees and in any foreign currency equivalent to USD 8 Billion, for the purpose of the business of our Company, notwithstanding that the amount to be borrowed by our Company exceeds the aggregate of the paid-up capital and free reserves of our Company.

The Issue is being made pursuant to the resolution passed by the Board at its meetings held on March 27, 2019 and September 20, 2019. The aggregate value of the Bonds issued under this Draft Shelf Prospectus, together with the existing borrowing of our Company, is within the approved borrowing limits of ₹ 4,00,000 crore as approved vide the resolution of our shareholders dated August 19, 2016.

Details of Appointment and Term of our Directors

S. No.	Name of Director	MoP Order No.	Term
1.	Mr. Rajeev Sharma	F. No. 8/2/2015-PFC Desk dated October 3, 2016	Five years with effect from October 1, 2016 i.e. the date of assumption of charge of post or till the date of his superannuation i.e. May 31, 2020, or until further orders, whichever is earlier
2.	Mr. Naveen Bhushan Gupta	F. No. 8/1/2016-PFC Desk dated 18.08.2017	From the date of his assumption of charge of the post and till June 30, 2020 i.e. the date of his superannuation or until further orders, whichever is earlier.
3.	Mr. Praveen Kumar Singh	F. No. 24-8/1/2017-PFC (MoP) dated August 10, 2018	Five years with effect from August 10, 2018 or till the date of his superannuation, or until further orders, whichever is earlier
4.	Mr. Ravinder Singh Dhillon	F. No. 24-8/1/2018-PFC (MoP) dated June 12, 2019	From the date of his assumption of the charge of the post till May 31, 2023 i.e. the date of his superannuation, or until further orders, whichever is earlier
5.	Mr. Mritunjay Kumar Narayan	F. No. 8/1/2007-PFC Desk dated August 28, 2019	With immediate effect and until further orders
6.	Mr. Sitaram Bhanwarlal Pareek	F. No. 8/1/2012-PFC Desk/Vol-III dated February 6, 2017	Three years with effect from February 6, 2017 or until further orders, whichever is earlier
7.	Ms. Gouri Chaudhury	No. 20/8/2016-Coord (Vol-II) dated September 22, 2017	Three years with effect from November 3, 2017 or until further orders, whichever is earlier
8.	Mr. R.C. Mishra	No. 20/6/2017-Coord.dated July 11, 2017	Three years with effect from July 11, 2017 or until further orders, whichever is earlier

Terms of Appointment and Remuneration of the Chairman & Managing Director

The present remuneration structure of the Chairman & Managing Director consists of pay, dearness allowance and other perks and benefits. The following table sets forth compensation paid to Mr. Rajeev Sharma, Chairman & Managing

Director with effect from October 1, 2016:

S. No	Particulars	Remuneration
1.	Period	The appointment will be for a period of five years w.e.f. October 1, 2016 (date of appointment) in the first instance or till the date of superannuation (May 31, 2020) or until further orders whichever event occurs earlier and in accordance with the provisions of the Companies Act, 1956 as amended.
2.	Pay	The Chairman & Managing Director will draw a basic pay of ₹ 92,260/- (Rupees Ninety two thousand two hundred sixty only) per month in the scale of pay of ₹ 80000-3%-125000 from the date of assumption of office i.e. October 1, 2016 annually.
3.	Dearness allowance	The Chairman & Managing Director would be paid dearness allowance in accordance with IDA scheme spelt out in the DPE's OMs. dated November 26, 2008 & April 2, 2009 or applicable DPE Guidelines.

Other Directors

Independent Directors are paid remuneration by way of sitting fees for attending the Board/Committee meetings, as follows:

S.No.	Name of Committee/Board	Sitting Fee Amount (in ₹) per meeting
1.	Board Meetings	20,000
2.	Audit Committee	20,000
3.	Nomination, Remuneration and HR Committee	20,000
4.	Stakeholder Relationship and Shareholders'/Investors' Grievance Committee	20,000
5.	IT Strategy Committee	20,000
6.	CSR and Sustainable Development Committee	20,000
7.	Investment Committee of Directors	20,000

Remuneration, commission, sitting fees, etc. paid by our Company to the Directors in the last three Fiscals

A. Chairman & Managing Director and Whole Time Directors

The remuneration paid to the Whole-time Directors comprises of remuneration, benefits, allowances and performance linked incentives etc. The following table sets forth the details of remuneration paid to the whole-time Directors during Fiscals 2019, 2018 and 2017:

(in ₹)

S. No.	Name of the Director	Fiscal 2019	Fiscal 2018	Fiscal 2017
1.	Mr. Rajeev Sharma	1,84,76,181	93,08,917	27,19,134
2.	Mr. Naveen Bhushan Gupta	1,05,51,598	35,70,468	-
3.	Mr. Praveen Kumar Singh	42,19,815	-	-
4.	Mr. Ravinder Singh Dhillon*	-	-	-

**Mr. Ravinder Singh Dhillon was appointed as the Director (Projects) with effect from June 12, 2019. Therefore, the details with respect to remuneration for the fiscals 2019, 2018 and 2017 have not been furnished.*

B. Remuneration of government nominee Directors

The following table sets forth the details of remuneration paid to part-time non-official Directors during Fiscals 2019, 2018 and 2017:

(in ₹)

S. No.	Name of the Director	Fiscal 2019	Fiscal 2018	Fiscal 2017
1.	Mr. Arun Kumar Verma*	-	-	-

* *Government nominees were not entitled to any remuneration or sitting fee from the Company.*

C. Remuneration of Independent Directors

The Independent Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of ₹ 20,000 for attending each meeting of the Board and Committees of Directors is being paid to each Independent Director. The following table sets forth the details of remuneration paid to the Independent Directors during Fiscals 2019, 2018 and 2017

(in ₹)

S. No.	Name of the Director	Fiscal 2019	Fiscal 2018	Fiscal 2017
1.	Mr. Sitaram Bhanwarlal Pareek	6,68,200	5,88,528	1,00,504
2.	Ms. Gouri Chaudhury	5,46,200	2,22,200	-
3.	Mr. R.C. Mishra	-	-	-

Details of Changes in Directors in last three years:

S. No.	Name of Director	Designation and DIN	Date of Appointment/Resignation	Director of our Company since (in case of cessation)	Reason
1.	Mr. Rajeev Sharma	Chairman & Managing Director 00973413	October 01, 2016	Continuing	Appointment
2.	Mr. M. K. Goel	Managing Director (Professional) 00239813	October 01, 2016	January 22, 2015	Superannuated
3.	Mr. Yogesh Chand Garg	Independent Director 01768635	August 22, 2016	August 22, 2013	Completion of Tenure
4.	Dr Arun Kumar Verma*	Government Nominee Director 02190047	August 28, 2019	October 13, 2015	Completion of Tenure
5.	Mr. Radhakrishnan Nagarajan	Whole time Director (Professional) 00701892	June 01, 2017	July 31, 2009	Superannuated
6.	Mr. Vijay Mohan Kaul	Director 00015245	June 24, 2016	June 24, 2013	Completion of Tenure
7.	Mr. A. K. Agarwal	Whole time Director (Professional) 01987101	January 01, 2017	July 13, 2012	Superannuated
8.	Mr. C. Gangopadhyay	Director (Professional)	May 01, 2019	January 01, 2017	Superannuated

S. No.	Name of Director	Designation and DIN	Date of Appointment/Resignation	Director of our Company since (in case of cessation)	Reason
		02271398			
9.	Mr. Sitaram Bhanwarlal Pareek	Director (Independent) 00165036	February 06, 2017	Continuing	Appointment
10.	Mr. N.B. Gupta	Director (Professional) 00530741	August 18, 2017	Continuing	Appointment
11.	Mr. Dhanabalan Ravi	Professional whole-time Director 00038452	June 01, 2018	November 16, 2015	Superannuated
12.	Mr. Praveen Kumar Singh	Professional whole-time Director 03548218	August 10, 2018	Continuing	Appointment
13.	Ms. Gouri Chaudhury	Independent Director 07970522	November 03, 2017	Continuing	Appointment
14.	R. S. Dhillon	Director 00278074	June 12, 2019	Continuing	Appointment
15.	Mr. R. C. Mishra	Director (Independent) 02469982	July 11, 2019	Continuing	Appointment
16.	Mr. Mritunjay Kumar Narayan	Government Nominee Director 03426753	August 28, 2019	Continuing	Appointment

**Dr. Arun Kumar Verma has ceased to be a Director of our Company with effect from August 28, 2019.*

Relationship between our Directors

None of our Directors are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

Interest of our Directors

Except as otherwise stated in the section titled "*Annexure C - Financial Statements*", our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly, and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our independent Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted bonds pursuant to this Issue, if any.

Some of our Directors may also be regarded as interested in the Equity Shares and stock options held by them, their relatives or by the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, as well as the benefits arising out of such shareholding.

Further, none of the Directors have any interest in the promotion of our Company. Further, none of our Directors have any direct or indirect interest in any immovable property acquired by our Company in the two years preceding the date of this Draft Shelf Prospectus or any immovable property proposed to be acquired by it.

Further, no relative of any of our Director has been appointed to any office or place of profit in our Company. No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue.

No Director of our Company is a member of any firm or company, and therefore a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of our Company, will not need to be disclosed.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

No remuneration has been paid or is payable to any of our Directors by the Company's subsidiaries or associate companies.

None of our Directors hold any equity shares in the Company's Subsidiaries or associate companies or joint ventures.

Other undertakings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

As on the date of this Draft Shelf Prospectus, our Directors do not hold any outstanding options.

Shareholding of Directors

For details of the shareholding of Directors in our Company, please refer to the section "*Capital Structure- Details of the Directors' shareholding in our Company*" on page 50.

Debenture holding of Directors as on date of this Draft Shelf Prospectus:

S. No.	Name and Designation	Amounts (Rs)
1.	Mr. Rajeev Sharma Chairman & Managing Director	20,000
2.	Mr. Sitaram Pareek Independent Director	5,00,000
3.	Mr. N.B. Gupta Director (Finance)	1,50,000
4.	Mr. P. K. Singh Director (Commercial)	20,000
5.	Mr. R. S. Dhillon Director (Projects)	40,00,000

Corporate Governance

The guidelines on corporate governance for Central Public Sector Enterprises dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises ("**DPE Guidelines**") lay down certain corporate governance norms to be adhered to by all Central public sector enterprises. The DPE Guidelines require, among other things, that*:*

(i) The number of functional directors should not exceed 50% of the actual strength of the Board.

(ii) The number of directors nominated by the Government should not be more than two in number.

(iii) In case of Central public sector enterprises listed with the stock exchanges and where the board of directors is headed by an executive chairman, the number of independent directors shall be at least 50% of the total strength of the board of directors. In other cases, the number of independent directors shall be at least one third of the total strength of the board of directors.

(iv) None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

Our Company is in compliance with the requirements of Corporate Governance as prescribed under DPE, SEBI Listing Regulations, Companies Act 2013 and other Applicable Law except in relation to the composition of our Board and performance evaluation of Directors pursuant to SEBI Listing Regulations. As on date, the composition of the Board of Directors comprises of four whole- time Directors including the Chairman & Managing Director, one Government Nominee Director and three independent Directors. Further, our Company is in compliance with the Corporate Governance norms as prescribed by RBI for non-deposit taking NBFCs.

Committees of our Board

Our Company has constituted the following committees of Directors, having the members listed below:

S. No.	Names of the Committees	Members
1.	Audit Committee	Mr. Sitaram Bhanwarlal Pareek, Chairman Ms. Gouri Chaudhury, Member Mr. R. C. Mishra, Member
2.	Nomination and Remuneration Committee	Mr. Sitaram Bhanwarlal Pareek, Chairman Ms. Gouri Chaudhury, Member Mr. R. C. Mishra, Member
3.	Stakeholder Relationship and Shareholders'/Investors' Grievance Committee	Ms. Gouri Chaudhury, Chairman Mr. N.B. Gupta, Member Mr. R.S. Dhillon, Member
4.	Risk Management Committee of Directors	Mr. N. B. Gupta, Chairman Mr. R.S. Dhillon, Member
5.	CSR and Sustainable Development Committee	Mr. R. C. Mishra, Chairman Mr. Sitaram Bhanwarlal Pareek, Member Mr. P.K. Singh, Member
6.	Loans Committee of Functional Directors	Mr. Rajeev Sharma, Chairman Mr. P.K. Singh, Member Mr. R.S. Dhillon, Member Mr. N.B. Gupta, Member
7.	HR Committee	Mr. P.K. Singh, Chairman Mr. R.S. Dhillon, Member Mr. N.B. Gupta, Member
8.	Investment Committee of Directors	Mr. Rajeev Sharma, Chairman Mr. P. K. Singh, Member Mr. R. S. Dhillon, Member Mr. N.B. Gupta, Member Mr. Sitaram Bhanwarlal Pareek, Member

Payment or benefit to officers of our Company

Our Company follows a pay structure in conformity with the guidelines issued by DPE from time to time. Our Company also has in place various incentive schemes as a part of its compensation strategy to increase productivity and reward performance. Monetary benefits are paid to the employees on the basis of their individual and group performance. Further our officers are entitled to certain post-retirement medical benefits and statutory benefits and post-retirement pension upon superannuation.

Key Managerial Personnel

Pursuant to the Companies Act, 2013, our Company has re-designated/appointed the following Key Managerial Personnel:

1. Mr. Rajeev Sharma, our Chairman & Managing Director, was also designated as our Company's Chief Executive Officer and Key Managerial Personnel;

2. Mr. Naveen Bhushan Gupta**,** Director (Finance), was also designated as our Company's Chief Financial Officer and Key Managerial Personnel;

3. Mr. Ravinder Singh Dhillon, our Director (Projects), was also designated as our Company's Key Managerial Personnel;

4. Mr. Praveen Kumar Singh, our Director (Commercial), was also designated as our Company's Key Managerial Personnel;

5. Mr. Manohar Balwani, our Company Secretary was also designated as our Company's Key Managerial Personnel

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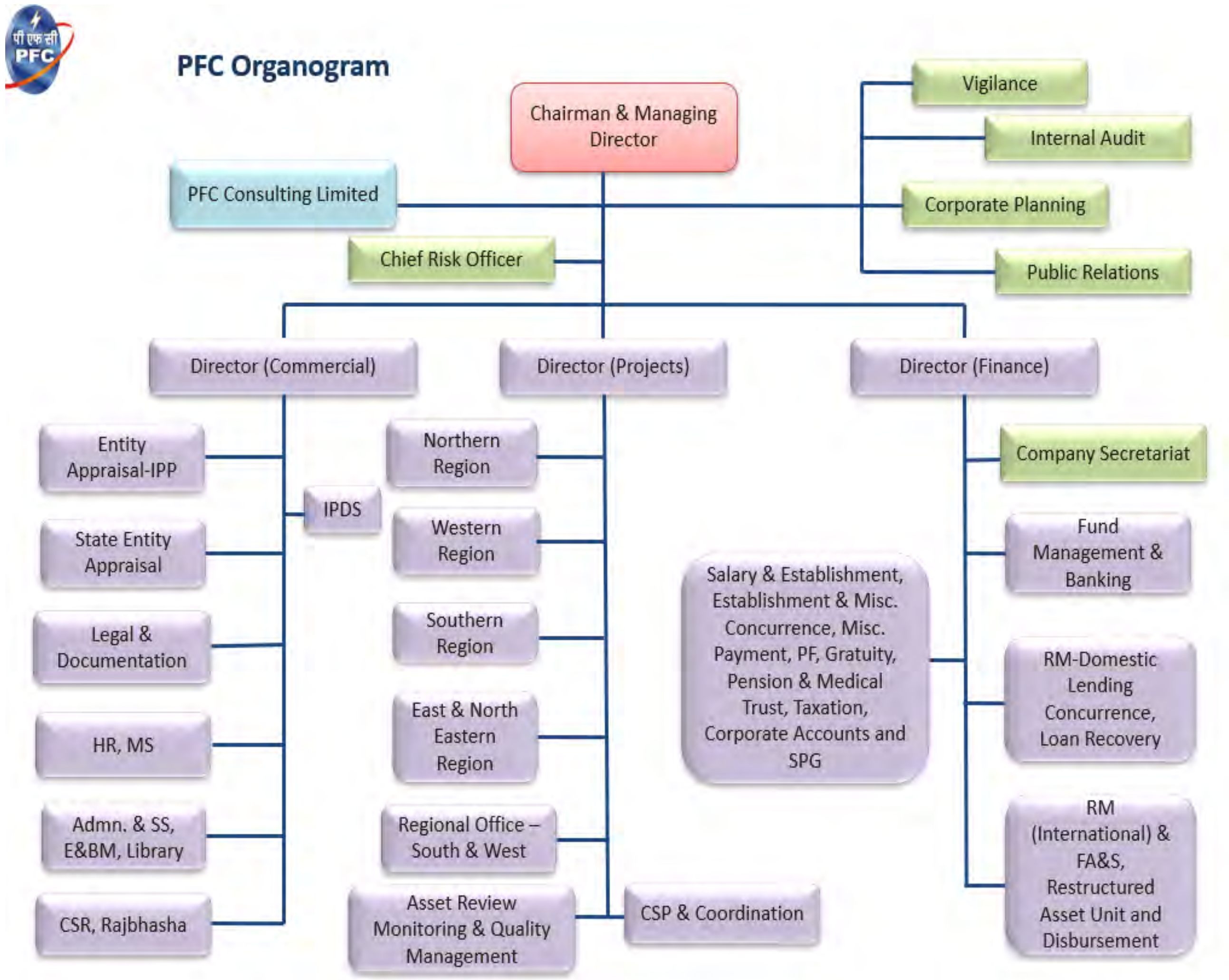
Management Organisation Structure



Abbreviations:

IPDS: Integrated Power Development Scheme; HR: Human Resources; SSA&RR: State Sector Analysis and Reform & Review; E&BM: Estate and Building Management; CSR: Corporate Social Responsibility; PF: Provident Fund; FA&S: Financial Analysis & Systems; CRM: Corporate Risk Management; PFC CAS Limited: PFC Capital Advisory Services Limited; SPG: Structured Product Group; IPP: Independent Power Producers; MS: Management System; SS: Support Services; CSP: Central Sector Projects & Coordination; RM: Resource Mobilization.

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OUR PROMOTER

Our Promoter is the President of India acting through the Ministry of Power, Government of India.

Shareholding of our Promoters in our Company

For details of the shareholding of our Promoters in our Company as of June 30, 2019, please refer to the section "*Capital Structure – Details of Promoter's shareholding in our Company*" on page 50.

Interest of our Promoter

Except as stated in the Annexure titled "*Financial Statements*" in Annexure C, our Promoter does not have any other interest in our Company and its business.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INDEBTEDNESS

The total outstanding borrowings of the Company as on June 30, 2019, are as follows:

(₹ in crore)

S. No.	Nature of Borrowings	Amount#
1.	Secured Borrowings	242,69.46
2.	Unsecured Borrowings	2,64,173.33

 # In accordance with IND-AS

A. Secured Rupee term loans availed by our Company

Set forth below is a brief summary of the rupee term loans taken by our Company from various banks and the amounts outstanding therein as of June 30, 2019:

S No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
1.	Oriental Bank of Commerce	Term loan agreement dated February 22, 2019	1,500.00	1,510.79	Interest at the benchmark rate of 1 (one) year MCLR payable monthly.	4 (four) equal yearly installments of INR 375 crore post moratorium of 2 (two) years from the date of first disbursement. Portion I: February 25, 2022. Portion II: February 25, 2023. Portion III: February 25, 2024. Portion IV: February 25, 2025. <u>Prepayment:</u> Prepayment penalty is waived.	In the case of any default/ failure in keeping live external credit rating from any RBI approved agency, the bank is entitled to charge an additional interest at the rate of 1 % (one percent) p.a.. over the normal rate of interest, from the date of default till the submission of the same. In the case of default/failure in payment of monthly interest and/or any other instalment on due date, the bank is entitled to charge a penal interest at the rate of 2% (two percent) is charged over and above the normal rate of interest on the overdue amount.	First ranking *pari passu* charge on receivables except those specifically/ exclusively charged to lenders/ trustees to the extent of 110% of the outstanding loan balance.

S No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
2.	Allahabad Bank	Term loan agreement dated June 24, 2019	1,800.00	1,800.00	Interest at the rate of 1 (one) year MCLR payable monthly.	12 equal quarterly installments of INR 150 crore each after 4 (four) years moratorium. Prepayment: Prepayment penalty is waived	In case of failure/delay in repayment of advances/ interest or default or irregularity in observances of the terms and conditions, the bank is entitled to charge additional interest at the rate of 1 % (one percent) p.a...	*Pari passu* charge over the receivables of the Company except those on which specific charge has been created.
3.	Bank of Maharashtra	Term Loan Agreement dated March 08, 2019	750.00	750.00	Interest at the rate of 1 (one) year MCLR payable monthly.	12 structured quarterly installments after 2 (two) years of moratorium starting from the date of first disbursement. Prepayment: Pre-payment penalty @ 1% (one percent) shall be levied if the amount is pre-paid within 6 (six) months.	In case of failure to comply with any of the terms and conditions captured in the sanction letter and term loan agreement, the bank is entitled to capitalize interest, in addition to the right of the bank to charge additional/penal interest @ 2% (two percent) or such other rate as may be stipulated by bank.	First charge on receivables except the specific receivables in respect of which charge has already been created in favour of trustee.
4.	UCO Bank	Agreement relating to term loan dated February 22, 2019	500.00	201.43	Interest at the rate of 1 (one) year MCLR payable monthly.	Bullet payment after completion of 3 (three) years from the date of first disbursement. Prepayment: Prepayment penalty	In case of failure to create and perfect security within 3 (three) months from the date of first disbursement, the bank will be entitled to charge 1% (one percent) penal interest on the entire outstanding balance for the	*Pari passu* charge on receivables of the Company to the extent of 100% outstanding term loan balance excluding receivables exclusively charged to trustee

S No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
						waived.	default period of creation and perfection of security.	
5.	Corporation Bank	Agreement for secured term loan dated March 14, 2019	1,000.00	1,007.15	Interest at the rate of 3 (three) month MCLR plus spread of 20 bps payable monthly.	To be repaid in 5 (five) years, in yearly instalment of 200 crore. Interest to be recovered as and when debited. <u>Prepayment:</u> Prepayment penalty has waived subject to 7 (seven) days' notice.	In case of failure to pay monthly interest and/or any instalment due, the arrears of interest and/or instalments in the loan shall bear penal interest @ 2% p.a.. on the amount of default until the amount of interest and/or instalment in arrears are paid.	First *pari passu* charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, cost and expenses related to the term loan except for those receivables already charged in favour of the trustee.
6.	Canara Bank	Agreement for term loan dated February 19, 2019	1,000.00	1,007.15	Interest at the rate of 1 (one) year MCLR payable monthly.	Principal to be repaid by way of bullet repayments at the end of respective tenor. <u>Prepayment:</u> Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement.	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at such periodicity as determined by the bank, the Company shall be liable to pay penal interest at 2% p.a.. or such other rates as prescribed by the bank.	First *pari passu* charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the extent of 100% of payment/repayment of term loan including interest, additional interest, costs and expenses as per the transaction documents.

S No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
7.	Canara Bank	Agreement for term loan dated June 19, 2019	2,000.00	2,002.03	Interest at the rate of 1 (one) year MCLR payable monthly.	Principal to be repaid by way of bullet repayments at the end of respective tenor. <u>Prepayment:</u> Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement.	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at such periodicity as determined by the bank, the Company shall be liable to pay penal interest at 2% p.a.. or such other rates as prescribed by the bank.	First *pari passu* charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the extent of 100% of payment/repayment of term loan including interest, additional interest, costs and expenses as per the transaction documents.
8.	Bank of India	Term Loan Agreement dated March 01, 2019	1,000.00	1,007.15	Interest at the rate of 1 (one) year MCLR payable monthly.	2 equal instalments at the end of 5th year and 6th year from the date of first disbursement. <u>Prepayment:</u> Prepayment penalty is waived if the loan is prepaid after 6 months from the date of availment of loan or September 30, 2019, whichever is later. The company is required to provide a notice of 2 days failing	In case of a default in payment of any instalment/interest, the Company shall be liable to pay penal interest at 2% p.a..	First *pari passu* charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship Limited.

S No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
						which the bank shall be entitled to charge prepayment penalty at 1%.		

 # In accordance with IND-AS

Unsecured *term loans availed by the Company*

Set forth below is a brief summary of unsecured term loans availed of by our Company from various banks/financial institutions/ government entities:

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a..)	Repayment schedule
1.	*Union Bank of India	General term loan agreement dated June 18, 2019	1,000.00	1,000.00	Interest at 1 (one) year MCLR payable monthly.	The Company shall repay the entire advance in 1 (one) installment at the end of 3 years from the date of disbursement.
2.	**Bank of Baroda	Term loan agreement dated June 14, 2019	2,000.00	2,000.00	Interest at 1 (one) year MCLR payable monthly.	The Company shall repay the facility in 5 (five) structured annual installments starting from April 15, 2020 to April 15, 2024.
3.	**Bank of Baroda	Agreement for demand term loan dated March 01, 2019	700.00	700.17	Interest at 1 (one) year MCLR payable monthly.	Bullet repayment after 24 months from the date of disbursement.
4.	***UCO Bank	Term Loan Agreement dated February 22, 2019	1,000.00	1006.74	Interest at 1 (one) month MCLR payable monthly.	The Company shall make bullet repayment at the end of 36 (thirty six) months from the date of disbursement. Interest is payable on monthly interval

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a..)	Repayment schedule
5.	****SBI	Term Loan Agreement dated September 26, 2018	6,000.00	6,041.67	6 month MCLR plus spread of 5 bps payable monthly.	The Company shall make bullet repayment at the end of 60 months from the date of disbursement
6.	*****Canara Bank	Agreement dated September 12, 2018	1,500.00	1,510.33	1 month MCLR payable at monthly rests.	The Company shall make bullet repayment at the end of 24 (twenty four) months from the date of disbursement. Interest is payable on monthly interval
7.	*****Canara Bank	Term Loan Agreement dated December 27, 2018	1,000.00	1,007.15	1 year MCLR payable monthly.	The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval
8.	$Bank of India	Term Loan Agreement dated January 09, 2019	2,000.00	2,014.30	1 year MCLR payable monthly.	The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval
9.	$Bank of India	Term Loan Agreement dated March 23, 2018	1,000.00	1,006.82	1 month MCLR payable monthly.	The Company shall make bullet repayment at the end of 24 (twenty four) months from the date of disbursement. Interest is payable on monthly interval
10.	$$PNB	Term Loan Agreement dated September 05, 2018	2,000.00	2,013.40	1 month MCLR plus spread of 5 bps payable monthly.	The Company shall make bullet repayment at the end of 21 months of the first disbursement.
11.	$$PNB	Term Loan Agreement dated August 23, 2018	2,000.00	2,013.40	1 month MCLR plus spread of 5 bps payable monthly.	The Company shall make bullet repayment at the end of 21 months of the first disbursement.

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a..)	Repayment schedule
12.	**Vijaya Bank (now Bank of Baroda)	Term Loan Agreement dated June 18, 2018	2,000.00	2,013.81	1 month MCLR plus spread of 5 bps payable monthly.	Bullet repayment after 24 months of the first disbursement.
13.	$$$Andhra Bank	Term Loan Agreement dated June 28, 2018	2,000.00	1,992.42	1 month MCLR payable monthly.	Bullet repayment after 24 months of the first disbursement.
14.	$$$$India Infrastructure Finance Company Limited	Memorandum of Agreement dated March 28, 2018	775.00	790.28	7.70% (first up rate) payable quarterly.	Bullet repayment after 18 months of the first disbursement.
15.	$$$$India Infrastructure Finance Company Limited	Memorandum of Agreement dated September 10, 2018	800.00	827.16	8.38% (firmed up rate) payable quarterly.	Bullet repayment after 3 years of the first disbursement.
16.	#HDFC Bank	Loan Agreement dated December 29, 2017	750.00	755.12.	1 month MCLR monthly payable.	Bullet repayment after 2.5 years of the first disbursement.
17.	#HDFC Bank	Loan Agreement dated October 04, 2018	750.00	755.27	6 month MCLR payable monthly.	Bullet repayment after 5 years of the first disbursement.
18.	##United Bank of India	United Bank of India dated December 21, 2018	1,000.00	1,007.11	6 month MCLR payable monthly.	Bullet repayment after 5 years of the first disbursement.
19.	National Small Savings Fund	Sanction Letter dated December 04, 2018	7,500.00	7,515.00	Fixed Rate of 8.11% payable half yearly	Bullet repayment at the end of 10 years from the first disbursement.

#As per IND AS

Provisions pertaining to prepayment and penalty for the aforementioned unsecured term loans:

**Penalty: On Company committing default in making payment of any instalment on due date, a default rate of interest will be charged by the bank at the rate which shall be determined by the bank at their discretion and will be charged on the outstanding amount.*

**Prepayment: permitted after completion of 4 (four) months from the date of disbursement. If our Company makes any prepayment before 4 (four) months prepayment penalty of 1% (one percent) shall be applicable.*

***Prepayment: Allowed without penal interest with 30 (thirty) days prior notice. Minimum lock-in period of 6 (six) months.*

***Penal Interest: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment and/or interest to the date on which installment and/or interest in actually paid.*

****Prepayment: Allowed without penal interest.*

****Penal Interest: Waived.*

***** Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment. Penalty will also be charged for non- submission of review/ renewal data at least 1 month prior to the due date.*

****** Prepayment: Waived.*

******Penalty: In the event of default in payment of any installment and/or monthly interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment.*

$Prepayment: Company cannot prepay within 6 months from the date of disbursement or before June 30, 2019 whichever is later, after giving a 2 days' prior notice. Non- compliance of this clause will entitle the bank to charge penal interest at 1% on the amount prepaid.

$Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment.

$$Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

$$Prepayment: No prepayment penalty is leviable if our Company prepays after 3 months from the date of disbursement. If prepaid within 3 months, penalty will be levied at 2%p.a.. as per bank guidelines.

$$$ Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

$$$Prepayment: Prepayment can be made anytime without any penalty.

$$$$ Prepayment: Prepayment penalty @2% p.a.. of the outstanding balance of the outstanding amount. Such penalty is waived in case the pre-payment is made within 30 days of the communication of the reset rate by bank.

$$$$Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment.

#Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of % p.a.. on the outstanding amount for the period from the due date of installment.

#Prepayment: Allowed after June,30 2018 with a 2 days prior notice with no prepayment charges.

##Prepayment: No charges if prepaid after 15 days prior notice to bank.

##Penalty: It will be levied as per bank's existing lending policy/ circular for default in submission of balance sheet and account statements within 6 months from the date of the balance sheet, statements and returns and audited balance sheet within stipulated time as well as for non- compliance of the terms of the sanction letter.

B. Short Term Loans availed by the Company

S. No.	Name of the lender	Type of facility	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a..)	Repayment schedule
1	HDFC Bank	Short Term Loan	Sanction Letter dated June 07, 2019	1,800.00	1,800.79	Interest is at the benchmark of 14 days government T-bill.	On maturity. Tenor is of 29 days from date of disbursement.
2	State Bank of India	Line of credit	Sanction Letter dated March 14, 2019 and May 03, 2019	2,000.00	200.09	Interest linked to Repo Linked Lending Rate.	Repayable on demand.
3	Canara Bank	Short Term Loan	Sanction Letter dated February 19, 2019	500.00	196.37	1 month MCLR.	Bullet repayment at the end of the tenor of upto 6 months. Interest to paid on monthly basis as and when due.

#As per IND AS

C. Commercial Papers

Set forth below are brief details of commercial papers issued by our Company and the amounts outstanding thereon as of June 30, 2019:

S No.	Details of series	Date of Issue	Maturity date	Face Value (Rupees in Crore)	Number of CPs issued	Amount outstanding# (Rupees in Crore)	Discount per CP (In Rupees)
1.	Series-108	March 12, 2019	March 06, 2020	3,000.00	60,000	2,850.88	35,930
2.	Series-109	March 19, 2019	September 16, 2019	1,500.00	30,000	1,477.44	17,675
3.	Series-110	April 15, 2019	July 15, 2019	4,000.00	80,000	3,989. 25	8,733
4.	Series-111	May 09, 2019	July 19, 2019	3,000.00	60,000	2,989.13	7,142
5.	Series-113	June 28, 2019	September 26, 2019	2,000.00	40,000	1,968.16	8,233

#As per IND AS

D. Foreign currency borrowings of the Company:

(i) Set forth below is a brief summary of the term loans taken by our Company from various international financial institutions in foreign currency.

S. No	Name of Lender and type of facility	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule	Penalty
1.	*Kreditanstalt Fur Wiederaufbau, Frankfurt am Main ("**KfW**") Unsecured loan agreement dated June 19, 1995	DM 46,500,000 divided into two equal sub-limits namely, Portion I: DM 23,250,000.00 Portion II: DM 23,250,000.00	48.77	Portion I: 12% p.a.. or lending rate of the Company applicable for the disbursement by the Company minus 3%, whichever is lower. However, minimum applicable interest rate is 0.75% in Deutsche Mark (DM).	Portion I: payable in 60 instalments payable semi-annually from December 30, 2005.	For overdue interest payments, shall pay damages in a lump sum of 3% above the discount rate of the Duetsche Bundesbank effective at the due date.
2.	**Asian Development Bank ("ADB") Unsecured loan agreement between Asian Development Bank and Power Finance Corporation Limited dated December 11, 2003	USD 150,000,000	78.21	Interest will be calculated at floating rate, which is the sum of Reference Rate and the Fixed Spread i.e. the Sum of LIBOR and the Fixed Spread.	Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first and last instalment with respect to such disbursement payable on the eleventh and fortieth interest payment date respectively with respect to such disbursement. Each instalment shall be 1/30th of the disbursed amount (except the last which shall be equal to the balance outstanding amount). Entire borrowing is due and payable by October 15, 2028. Interest payment Date: It is the date immediately after the disbursement on which amortization schedule for	No Penalty is payable by our Company in case interest due on the loan is not paid.

S. No	Name of Lender and type of facility	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule	Penalty
					each disbursed amount is established	
3.	***Credit National (on behalf of the Government of the Republic of France) Credit agreement dated June 27, 1990	FRF 167,400,000	51.30	2%	Each portion of this facility is repayable in 46 equal and successive half-yearly instalments, the first of which is payable 126 months from the date of the calendar half-year during which such disbursement has been made.	Any sum unpaid on the due date shall automatically penalty carry interest accruing from the maturity date of the debt until the date of the actual payment at day to day Paris Interbank Money Market rate plus 1.5%.
4.	****Syndicated Loan 17 State Bank of India, Hong Kong Branch	USD 450,000,000	3,134.03	LIBOR + 0.75 p.a..	Borrower shall repay the loan in three equal instalments which is payable by September 24, 2021	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
5.	****Syndicated Loan 16 State Bank of India, Hong Kong Branch	USD 250,000,000	1,729.18	LIBOR + 0.65 p.a..	Borrower shall repay the loan in full on the final date of maturity, i.e., December 4, 2019	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
6.	****$$$$ The Bank of Tokyo-Mitsubishi UFJ-LTD, Mizuho Bank, Ltd. and State Bank of India Syndicated Loan 21 Term loan facility dated November 23, 2017	US $300,000,000	2,074.06	LIBOR + 0.70% p.a..	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
7.	****$$$$ State Bank of India, Hong Kong Branch Syndicated Loan 22 Term loan facility dated February 02, 2018	US $250,000,000	1,745.46	0.70% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
8.	****$$$$ The Bank of Tokyo-Mitsubishi UFJ-LTD,	US $250,000,000	1,742.24	0.65% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final	Additional interest of 2% accrues on unpaid

S. No	Name of Lender and type of facility	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule	Penalty
	Mizuho Bank, Ltd. and State Bank of India Syndicated Loan 23 Term loan facility dated March 13, 2018				Repayment Date.	amounts until the date of actual payment.
9.	*******$$$$ Syndicated Loan XVI 26 Bank of Baroda Term loan facility dated September 19, 2019	US $250,000,000	1,742.13	0.90% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
10.	*****$$$$Syndicated Loan XXVII 27 Mizuho Bank, Ltd., Singapore Branch MUFG Bank, Ltd., Singapore Branch Japanese Yen Equivalent of US $150,000,000 Term Loan Facility dated January 22, 2019.	US $150,000,000	1,054.52	0.62% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
11.	******$$$$Syndicated Loan 28 JPY Japanese Yen Equivalent of US $50,000,000 Term Loan Facility Agreement dated June 24, 2019 MUFG Bank, Ltd., Singapore Branch	US $50,000,000	344.10	0.75% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
12.	******$$$$Syndicated Loan 28 USD US $250,000,000 Term Loan Facility Agreement dated June 24, 2019 State Bank of India, Hong Kong Branch MUFG Bank, Ltd., Singapore Branch	US $250,000,000	1,725.99	1.10% p.a.. + LIBOR	Borrower shall repay the Loan in full on the Final Repayment Date.	Additional interest of 2% accrues on unpaid amounts until the date of actual payment.
13.	SBI FCNR(B) Term sheet dated March 23, 2018 State Bank of India	US $250,000,000	1,732.21	5%	In one lump sum on the date of repayment in the foreign currency in which the loan amount has been disbursed. However, on the due date of	

S. No	Name of Lender and type of facility	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule	Penalty
					repayment the Bank at its discretion, at your request, may consider to rollover the facility on the terms and conditions as may be stipulated by the Bank. Loan to be repaid in bullet payment at end of the tenor (due date) and if such due date is not a Business Day immediately preceding due date will be considered as final settlement date.	
14.	*****State Bank of India, Hong Kong Branch Syndicated Loan 18	Japanese Yen equivalent of US $ 360,000,000	2,801.03	LIBOR + margin at 0.63% per annum payable at last day of each interest period, currently at 0.63650% p.a..	Repayable in 3 equal instalments, after 5, 6 & 7 years after the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% per annum for the period of default

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Prepayment Events

**Prepayment Event (KfW):*

Pursuant to a 30 days' prior notice, our Company may prematurely repay Portion II only in the amount of one or more repayments instalments together with the payment of a compensation for premature repayment to be determined by KfW and computed on the basis of the capital market situation prevailing at the time and taking into account the lost interest earnings and the reinvestment possibilities for the original remaining term of the loan. Following repayment of Portion II, our Company may at any time prematurely repay Portion I in full or in part.

***Prepayment Event (ADB):*

Our Company can prepay the entire principal loan amount or principal amount of any one or more maturities of the loan, provided all amounts due have been paid by giving at least 45 days written notice to ADB. In case of partial prepayment, since separate amortization of specified Disbursed Amounts is allowed, such prepayment shall be applied in the inverse order of the Disbursed Amount, with the Disbursed Amount withdrawn last being repaid first. In case of full prepayment, the latest maturity will be repaid first. No penalty payable, but Prepayment premium will be payable, as determined by ADB.

*<u>***Prepayment Event (Credit National)</u>*:

Upon giving no less than 3 months' written notice to the Lead Bank, our Company may prepay the credit, partially or wholly if it pays to the lenders the cost amounting to the difference, if any, between: the amount of interest which would have accrued in relation to the amounts prepaid from the date of the prepayment to the date initially set for prepayment, and the proceeds from the placing on the PARIS Interbank Money Market by the lenders of such amounts prepaid from the date of the prepayment to the date initially set for prepayment.

*<u>****Prepayment (SLN-16, SLN, 17, SLN-21, SLN-22, SLN-23):</u>*

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of fifty million US Dollars (US$50,000,000) and in an integral multiple of ten million US Dollars (US$10,000,000). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

*<u>*******Prepayment (SLN-26):</u>*

The Borrower may, if it gives the Agent not less than thirty (10) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of fifty million US Dollars (US$50,000,000) and in an integral multiple of ten million US Dollars (US$10,000,000). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

The Loan may only be prepaid after the last day of the Availability Period and if all other sums then due and payable under the Finance Documents shall have been paid.

*<u>*****Prepayment (SLN-27):</u>*

Our Company may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of Japanese Yen Equivalent of fifty million US Dollars (US$50,000,000) and in an integral multiple of Japanese Yen Equivalent of ten million US Dollars (US$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

*<u>******Prepayment (SLN 28):</u>*

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of that Loan by a minimum amount of fifty million US Dollars (US$50,000,000) in the case of a Facility A Loan or the Japanese Yen Equivalent of fifty million US Dollars (US$50,000,000) in the case of a Facility B Loan and in an integral multiple of ten million US Dollars (US$10,000,000) in the case of a Facility A Loan). Any prepayment shall be applied rateably among the participations of all Lenders and pro rata with respect to Facility A and Facility B and shall not be subject to any prepayment fee or penalty.

A Loan may only be prepaid after the last day of the Availability Period and if all other sums then due and payable under the Finance Documents shall have been paid.

Events of Default under our Loan Agreements

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

(i) If our Company defaults in the payment of any instalments.
(ii) Breach of any terms and condition in furtherance of the facility grant.
(iii) Our Company enters into arrangement or composition with its creditors or commits an act of insolvency.
(iv) Occurrence of event that would prejudicially affect the capacity of our Company to repay the loan.
(v) Winding up resolution passed by our Company.
(vi) Our Company ceasing or threatening to cease business or gives notice of intention to do so.
(vii) Execution or distress being enforced or levied against the whole or any part of the Company's property.
(viii) Our Company going into liquidation (except for the purpose of amalgamation or reconstruction).

(ix) Appointment of receiver in respect of whole or any part of the property of the Company.

(x) The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility.

(xi) The security ceasing to exist.

(xii) Any representations or statements or particulars made in our Company's proposal or application are found to be incorrect in any material respect when made or deemed to be made. In certain cases, we are required to comply with repeating representations that require the Government to maintain majority shareholding and exercise control over the affairs and composition of the board of the Company.

(xiii) Any litigation, arbitration, investigation or administrative proceedings occurs or is pending or threatened against our Company which might have a material adverse effect.

(xiv) Occurrence of any event or series of events which, in the opinion of the lenders, has or is reasonably likely to have a material adverse effect.

(xv) Our Company commits any breach or default in performance or observance of a loan.

(xvi) The loan is utilized for any purpose other than the purpose for which it is applied by the Company and sanctioned by the lender.

(xvii) Any attachment, distress, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if our Company suspends payments to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filing of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted.

(xviii) Any violation of any of the undertakings or violation of any of the terms and conditions of the sanction of the facilities or violation of the terms and conditions of any of the loan documents or any other subsequent communication in this regard, shall constitute default.

(xix) The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility.

(xx) Company goes into corporate insolvency resolution process.

(xxi) Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Borrower having an aggregate value of more than the stipulated amount and is not discharged within the stipulated Business Days as per the loan agreement;

(xxii) Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document;

(xxiii) Any Authorisation or other requirement, with or from any person required for the borrowing of the Loan or to enable the Borrower to perform its obligations under, is revoked, withdrawn or withheld or shall otherwise fail to remain in full force and effect for whatever reason

Rescheduling:

There are no provisions pertaining to rescheduling of loans in any of the loan agreements

$$$$ Interest Period

Interest Period shall be six (6) months or any other period as mutually agreed between our Company and the Agent (acting on the instructions of all the Lenders). An Interest Period for a Loan shall not extend beyond the Final Repayment Date.

(ii) ***Foreign Currency Notes***

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule
1.	3.75 USD green bonds 2027	Pricing supplement dated November 28, 2017	USD 400,000,000	2,768.40	3.75% p.a.. payable semi-annually in arrears on each interest payment date. Interest payment date is June 6 and December 6 in each year.	10 years December 6, 2027

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule
2.	5.25 USD 300MN MTN BONDS 2028	Pricing supplement dated August 2, 2018	USD 300,000,000	2,115.32	5.25% p.a.. payable semi-annually in arrear on each interest payment date. Interest payment date is February 10 and August 10 in each year.	10 years August 10, 2028
3.	6.15 GMTN BONDS 2028	Pricing supplement dated November 28, 2018	USD 500,000,000	3,451.85	6.150% p.a.. payable in arrear on each interest payment date. Interest payment date is June 6 and December 6.	10 years December 6, 2028
4.	3.75 USD BONDS 2024	Pricing supplement dated June 11, 2019	USD 400,000,000	2,764.75	3.75 % p.a.. payable in arrear on each interest payment date. Interest payment date is June 18 and December 18 in each year up the maturity date.	5 years, June 18, 2024
5.	4.50 USD BONDS 2029	Pricing supplement dated June 11, 2019	USD 600,000,000	4,148.32	4.50% p.a.. payable in arrear on each interest payment date. Interest payment date is June 18 and December 18 in each year up to and including the maturity date.	10 years, June 18, 2029

#As per IND AS

Secured bonds issued by our Company

Set forth below is a brief summary of the secured bonds issued by our Company and the amounts outstanding therein as of June 30, 2019.

(i) Secured taxable Infrastructure bonds as on June 30, 2019.

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
1.	8.30% Long Term Infrastructure Bonds Series-I	66.83	51.00	March 31, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.30% p.a..	Charge by way of mortgage of the right, title and interest in the immovable property as specified in the first schedule of the trust deed and exclusive first charge by way of hypothecation of receivables as detailed under second schedule of the trust deed.	AAA from CRISIL, ICRA and CARE
2.	8.30% Long Term Infrastructure Bonds Series-II	139.667	210.80	March 31, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.30% p.a..		
3.	8.50% Long Term Infrastructure Bonds Series-III	6.135	5.39	March 31, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a..		
4.	8.50% Long Term Infrastructure Bonds Series-IV	22.75	37.91	March 31, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a..		
5.	8.50% Long Term Infrastructure Bonds Series-I	32.43	22.98	November 21, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.50% p.a..	First *pari passu* charge by mortgage of the right, title and interest in the immovable property as specifically, detailed in the First Schedule of trust deed and first *pari passu* charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue FY 2010-11 (charged in favour of trustee)	
6.	8.50% Term Infrastructure Bonds Series-II	51.15	67.62	November 21, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.50% p.a..		
7.	8.75% Long Term Infrastructure Bonds Series-III	3.23	3.02	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
8.	8.75% Long Term Infrastructure Bonds Series-IV	8.83	14.72	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..		
9.	Long Term Infrastructure Bonds Series-86-A	9.04	7.55	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a..	First *pari passu* charge by mortgage of the right, title and interest in the immovable property as specifically detailed in the First Schedule of the trust deed and first *pari passu* charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue FY 2010-11 (charged in favour of trustee)	
10.	Long Term Infrastructure Bonds Series-86-B	17.81	27.86	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a..		
11.	Long Term Infrastructure Bonds Series-86-C	0.95	0.89	March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		
12.	Long Term Infrastructure Bonds Series-86-D	2.75	4.41	March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		

 # As per IND AS

Secured tax free bonds as on June 30, 2019:

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
1.	Debenture Series 79-A	205.23	216.17	October 15, 2011	Repayable at the end of 10 years from the date of allotment at 7.51% p.a..	First pari- passu charge over Company's Immovable properties as described in the first schedule of debenture agreement and first pari-passu charge over all present and future receivables excluding receivables on which specific charge has	AAA from CRISIL, ICRA and CARE
2.	Debenture Series 79-B	217.99	229.98	October 15, 2011	At the end of 15 years from the date of allotment at 7.75% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
3.	Debenture Series 80-A	334.31	350.46	November 25, 2011	Repayable at the end of 10 years from the date of allotment at 8.09% p.a..	already been created by Company.	
4.	Debenture Series 80-B	209.34	219.54	November 25, 2011	Repayable at the end of 15 years from the date of allotment at 8.16% p.a..		
5.	Debenture Series 94-A	255.00	266.13	November 22, 2012	Repayable at the end of 10 years from the date of allotment at 7.21% p.a.		
6.	Debenture Series 94-B	25.00	26.12	November 22, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
7.	Debenture Series 95-A	30.00	31.27	November 29, 2012	Repayable at the end of 10 years from the date of allotment at 7.22% p.a.		
8.	Debenture Series 95-B	100.00	104.33	November 29, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
9.	8.20% Public Issue of Tax Free Bonds Series 1 2011-12	2,752.55	2,912.71	February 01, 2012	Repayable at the end of 10 years from the date of allotment at 8.20% p.a.	First *pari passu* charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first *pari passu* the Hypothecated Properties as described in the second schedule of debenture trust deed.	
10.	8.30% Tax Free Bonds Series 2 2011-12	1,280.58	1,356	February 01, 2012	Repayable at the end of 15 years from the date of allotment at 8.30% p.a.		
11.	7.19% Tax Free Bonds Tranch 1 Series 1 2012-13	193.40	200.19	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.19% p.a. for Category I, II and III investors.	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari-passu the Hypothecated Properties as described in the second schedule of debenture trust deed.	
12.	7.69% Tax Free Bonds Tranche 1 Series 1 2012-13	149.35	154.95	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.69%		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
					p.a.. for Category IV investors.		
13.	7.36% Tax Free Bonds Tranche 1 Series 2 2012-13	159.81	165.54	January 04, 2013	Repayable at the end of 15 years from the deemed date of allotment at 7.36% p.a. for Category I, II and III investors and 7.86% p.a.. for Category IV investors.		
14.	7.86% Tax Free Bonds Tranche 1 Series 2 2012-13	197.19	204.75	January 04, 2013	Repayable at the end of 15 years from the deemed date of allotment at 7.86% p.a.. for Category IV investors.		
15.	6.88% Tax Free Bond Tranche-II Series I 2012-13	52.38	53.32	March 28,2013	Coupon Rate: 6.88% p.a.. for non-retail investors Maturity and Redemption: At the end of 10 years from the date of allotment		
16.	7.38% Tax Free Bond Tranche-II Series I 2012-13	43.78	44.62	March 28,2013	Coupon Rate: 7.38% p.a.. for retail investors Maturity and Redemption: At the end of 10 years from the date of allotment		
17.	7.04% Tax Free Bond Tranche-II Series II 2012-13	8.89	9.06	March 28,2013	Coupon Rate: 7.04% p.a.. for non-retail investors Maturity and Redemption: At the end of 15 years from the date of allotment		
18.	7.54% Tax Free Bond Tranche-II Series II 2012-13	60.32	61.50	March 28,2013	Coupon Rate: 7.54% for retail investors Maturity and Redemption: At the end of 15 years from the date of allotment		
19.	8.18% Tax Free Bonds Series 1 A 2013-14	325.07	341.61	November 16, 2013	Repayable at the end of 10 years from the deemed date of allotment at 8.18% p.a.	First pari- passu charge over Company's Hypothecated Properties as described in part A of first	

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
20.	8.43% Tax Free Bonds Series 1 B 2013-14	335.47	353.06	November 16, 2013	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a.	schedule of debenture trust deed.	
21.	8.54% Tax Free Bonds Series 2 A 2013-14	932.70	982.24	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.54% p.a.		
22.	8.79% Tax Free Bonds Series 2 B 2013-14	353.32	372.63	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.79% p.a.		
23.	8.67% Tax Free Bonds Series 3 A 2013-14	1067.38	1124.93	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.67% p.a..		
24.	8.92% Tax Free Bonds Series 3 B 2013-14	861.96	909.78	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.92% p.a.		
25.	7.11% Tax Free Bonds Series 1 A 2015-16	75.10	78.06	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.11% p.a.	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.	
26.	7.36% Tax Free Bonds Series 1 B 2015-16	79.35	83.46	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.36% p.a.		
27.	7.27% Tax Free Bonds Series 2 A 2015-16	131.33	138.05	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.27% p.a.		
28.	7.52% Tax Free Bonds Series 2 B 2015-16	45.18	47.57	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.52% p.a.		
29.	7.35% Tax Free Bonds Series 3 A 2015-16	213.57	224.63	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.35% p.a.		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
30.	7.60% Tax Free Bonds Series 3 B 2015-16	155.48	163.80	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.60% p.a.		
31.	Debenture Series 107-A	113.00	120.56	August 30, 2013	Repayable at the end of 10 years from the date of allotment at 8.01% p.a.	First *pari passu* charge, on total receivables of our Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by our Company limited to payment/ repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by our Company to the Bondholders and/or others pursuant to the Transaction documents.	
32.	Debenture Series 107-B	1,011.10	1082.58	August 30, 2013	Repayable at the end of 15 years from the date of allotment at 8.46% p.a.		
33.	Debenture Series 136	300.00	320.54	July 17, 2015	Repayable at the end of 10 years from the date of allotment at 7.16% p.a.		

 # As per IND AS

Secured taxable bonds issued by our Company as on June 30, 2019:

S. No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
	Debenture 112-B	270.00	280.83	January 31, 2014	Coupon Rate: 9.70% p.a. Maturity and Redemption: At the end of 6 years from the deemed date of allotment	First *pari passu* charge on total receivables of our Company, excluding the receivables on which specific charge has already been created by our 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 our Company to the Bondholders	AAA CRISIL, and CARE from ICRA

S. No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
						and/or others under/ pursuant to the Transaction Documents.	
	Debenture 112-C	270.00	280.83	January 31, 2014	Coupon Rate: 9.70% p.a. Maturity and Redemption: At the end of 7 years from the deemed date of allotment	First *pari passu* charge on total receivables of our Company, excluding the receivables on which specific charge has already been created by our 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 our Company to the Bondholders and/or others under/ pursuant to the Transaction Documents.	

#As per IND AS

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54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Set forth below is a brief summary of the capital gain tax exemption bonds/ debentures issued by our Company and the amounts outstanding thereon as of June 30, 2019:

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
1.	Series I (2017-18)	292.15	306.23	On tap	Coupon Rate: 5.25% p.a.. Maturity and Redemption: At the end of 3 years from the deemed date of allotment	First ranking *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 Bondholders and/or others under / pursuant to the Transaction Documents.	AAA from CRISIL, ICRA and CARE
2.	Series II (2018-19)	491.95	506.21	On tap	Coupon Rate: 5.75% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	First ranking *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 Bondholders and/or others under / pursuant to the Transaction Documents.	

3.	Series III (2019-20)	203.36	204.63	On tap	Coupon Rate: 5.75% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	First ranking *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 Bondholders and/or others under / pursuant to the Transaction Documents.	

Set forth below is a brief summary of the unsecured bonds/ debentures issued by our Company and the amounts outstanding thereon as of June 30, 2019:

S. No.	**Details of Non-Convertible debentures/ bonds**	**Amount Raised (Rupees in crore)**	**Amount Outstanding (Rupees in crore)#**	**Date of allotment/Deemed date of allotment**	**Coupon rate, tenor and redemption date**	**Credit Rating for all the bonds provided below**
1.	Zero Coupon Bond (2022) Series 19	157.96	571.54	December 30, 2002	Coupon Rate: Zero coupon bonds having face value of ` 0.10 million each, aggregating to ` 7500 million, allotted at a discounted aggregate amount of ` 1,579.58 million Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
2.	Debenture Series 28	600.00	604.50	May 31, 2006	Coupon Rate: 8.85% p.a.. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	
3.	Debenture Series 57 B and C	2,599.50	1,866.93	August 7, 2009	Coupon Rate: 8.60% p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					respectively from the deemed date of allotment	
4.	Debenture Series 59-B	1,216.60	1,292.57	October 15, 2009	Coupon Rate: 8.80% p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
5.	Debenture Series 60-B	925.00	977.56	November 20, 2009	Coupon Rate: 1 Year Annualized rate of FBIL G-Sec Par yield Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
6.	Debenture Series 61	1,053.00	734.37	December 15, 2009	Coupon Rate: 8.50%p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
7.	Debenture Series 62 A	845.40	879.05	January 15, 2010	Coupon Rate: 8.70%p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
8.	Debenture Series 62 B	1,172.60	1,219.81	January 15, 2010	Coupon Rate: 8.80% p.a.. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	
9.	Debenture Series 63	552.00	377.67	March 15, 2010	Coupon Rate: 8.90% p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
10.	Debenture Series 64	1,477.00	1,006.38	March 30, 2010	Coupon Rate: 8.95% p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
11.	Debenture Series 65	4,012.50	2,705.52	May 14, 2010	Coupon Rate: 8.70% p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
12.	Debenture Series 66-A	500.00	501.89	June 15, 2010	Coupon Rate: 8.65% p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
13.	Debenture Series 66 -B	1,532.00	1,537.86	June 15, 2010	Coupon Rate: 8.75% p.a.. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	
14.	Debenture Series 66 -C	633.00	635.45	June 15, 2010	Coupon Rate: 8.85% p.a.. Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment	
15.	Debenture Series 68 –B	1,424.00	1,543.14	August 4, 2010	Coupon Rate: 8.70% p.a.. Maturity and Redemption: At par on July 15, 2020	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
16.	Debenture Series 70	1,549.00	1,633.95	November 15, 2010	Coupon Rate: 8.78% p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
17.	Debenture Series 71	578.10	606.48	December 15, 2010	Coupon Rate: 9.05% p.a.. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of 10th, 15th and 20th year respectively from the deemed date of allotment	
18.	Debenture Series 72-B	1,219.00	1,269.14	January 14, 2011	Coupon Rate: 8.99% p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
19.	Debenture Series 73	1,000.00	1,019.31	April 15, 2011	Coupon Rate: 9.18% p.a.. Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
20.	Debenture Series 74	1,693.20	1,702.62	June 09, 2011	Coupon Rate: 9.70% p.a.. Maturity and Redemption: At the end of 10 years from the date of allotment.	
21.	Debenture Series 75-C	2,084.70	2,085.79	June 29, 2011	Coupon Rate: 9.61% p.a.. Maturity and Redemption: At the end of 10 years from the date of allotment	
22.	Debenture Series 76-A	2,589.40	2,811.18	August 1, 2011	Coupon Rate: 9.36% p.a.. Maturity and Redemption: At the end of 10 years from the date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
23.	Debenture Series 76-B	1,105.00	1,200.65	August 1, 2011	Coupon Rate: 9.46% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment	
24.	Debenture Series 77-B	2,568.00	2,769.45	September 1, 2011	Coupon Rate: 9.45% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment.	
25.	Debenture Series 85-C	79.50	81.06	March 06, 2012	Coupon Rate: 9.30% p.a.. Maturity and Redemption: At the end of 8 years 40 days from the date of allotment.	
26.	Debenture Series 85-D	736.00	750.34	March 06, 2012	Coupon Rate: 9.26% p.a.. Maturity and Redemption: At the end of 11 years 40 days from the date of allotment.	
27.	Debenture Series 87-D	650.80	668.05	March 20, 2012	Coupon Rate: 9.42% p.a.. Maturity and Redemption: At the end of 8 years from the deemed date of allotment.	
28.	Debenture Series 88-C	184.70	188.38	March 28, 2012	Coupon Rate: 9.48% p.a.. Maturity and Redemption: At the end of 10 years and 18 days from the deemed date of allotment.	
29.	Debenture Series 92-C	640.00	691.15	August 21, 2012	Coupon Rate: 9.29% p.a.. Maturity and Redemption: At the end of 10 years with put & call option on completion of 8 years from the deemed date of allotment	
30.	Debenture Series 99-B	733.00	756.20	February 20, 2013	Coupon Rate: 8.82% p.a.. Maturity and Redemption: At the end of 7 years from the deemed date of allotment	
31.	Debenture Series 100-A	54.30	55.86	March 04, 2013	Coupon Rate: 8.86 % p.a.. Maturity and Redemption: At the end of 7 years from the deemed date of allotment	
32.	Debenture Series 100-B	1,310.00	1,347.65	March 04, 2013	Coupon Rate: 8.84% p.a..	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
33.	Debenture Series 101-B	1,370.00	,1407.73	March 11, 2013	Coupon Rate: 9.00% p.a.. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
34.	Debenture Series 102-A(II)	403.00	413.29	March 18, 2013	Coupon Rate: 8.90% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
35.	Debenture Series 102-A(III)	403.00	413.29	March 18, 2013	Coupon Rate: 8.90% p.a.. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
36.	Debenture Series 102-B	70.00	71.78	March 18, 2013	Coupon Rate: 8.87% p.a.. Maturity and Redemption At the end of 10 years with put & call option after 7 years from the deemed date of allotment	
37.	Debenture Series 103	2,807.00	2,874.19	March 25, 2013	Coupon Rate: 8.94% p.a.. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
38.	Debenture Series 105 (subordinated Tier II bonds)	800.00	803.04	June 14, 2013	Coupon Rate: 8.19% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
39.	Debenture Series 111 (subordinated Tier II bonds)	1,000.00	1,044.68	January 13, 2014	Coupon Rate: 9.65% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
40.	Debenture Series 114 (subordinated Tier II bonds)	2,000.00	2,069.10	February 21, 2014	Coupon Rate: 9.70% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
41.	Debenture Series 115 -II	100.00	109.00	July 07, 2014	Coupon Rate: 9.15% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
42.	Debenture Series 115 -III	700.00	763.34	July 07, 2014	Coupon Rate: 9.20% p.a..	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					Maturity and Redemption At the end of 7 years from the deemed date of allotment	
43.	Debenture Series 117- B	855.00	924.14	August 19, 2014	Coupon Rate: 9.37% p.a.. Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	
44.	Debenture Series 118-B (I)	460.00	496.45	August 27, 2014	Coupon Rate: 9.39% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
45.	Debenture Series 118-B (II)	460.00	496.45	August 27, 2014	Coupon Rate: 9.39% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
46.	Debenture Series 118-B (III)	460.00	496.45	August 27, 2014	Coupon Rate: 9.39% p.a.. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
47.	Debenture Series 119-B	1,591.00	1,707.59	September 17,2014	Coupon Rate: 9.32% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
48.	Debenture Series 120-A	961.00	1,023.89	October 8, 2014	Coupon Rate: 8.98% p.a.. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with annual interest payment.	
49.	Debenture Series 120-B	950.00	1,012.17	October 8, 2014	Coupon Rate: 8.98% p.a.. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with first interest	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					on annual compounding basis after 2 years and thereafter annually	
50.	Debenture Series 121-B	1,100.00	1,168.05	October 21, 2014	Coupon Rate: 8.96% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
51.	Debenture Series 122	1,000.00	1,056.40	November 7, 2014	Coupon Rate: 8.76% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
52.	Debenture Series 123-B	836.00	878.60	November 28, 2014	Coupon Rate: 8.65% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
53.	Debenture Series 123-C	200.00	210.20	November 28, 2014	Coupon Rate: 8.66% p.a.. Maturity and Redemption At the end of 7 years from the deemed date of allotment	
54.	Debenture Series 124-A	1,220.00	1,277.81	December 9, 2014	Coupon Rate: 8.52% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
55.	Debenture Series 124-B	1,200.00	1,257.06	December 9, 2014	Coupon Rate: 8.55% p.a.. Maturity and Redemption At the end of 7 years from the deemed date of allotment	
56.	Debenture Series 124-C	1,000.00	1,047.16	December 9, 2014	Coupon Rate: 8.48% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
57.	Debenture Series 125	2,826.00	2,949.23	December 29, 2014	Coupon Rate: 8.65% p.a.. Maturity and Redemption At the end of 10 years from	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					the deemed date of allotment	
58.	Debenture Series 126	5,000.00	5,209.73	January 5, 2015	Coupon Rate: 8.65% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
59.	Debenture Series 127	4,440.00	4,567.12	February 26, 2015	Coupon Rate: 8.36% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
60.	Debenture Series 128	1,600.00	1,640.15	March 10, 2015	Coupon Rate: 8.20% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment.	
61.	Debenture Series 130-B	200.00	204.79	March 19, 2015	Coupon Rate: 8.42% p.a.. Maturity and Redemption At the end of 5 years 1 month from the deemed date of allotment	
62.	Debenture Series 130-C	925.00	947.05	March 19, 2015	Coupon Rate: 8.39% p.a.. Maturity and Redemption At the end of 10 years 1 months from the deemed date of allotment	
63.	Debenture Series 131-B	1,350.00	1,379.67	March 27, 2015	Coupon Rate: 8.38% p.a.. Maturity and Redemption At the end of 5 years 1 months from the deemed date of allotment	
64.	Debenture Series 131-C	5,000.00	5,110.30	March 27, 2015	Coupon Rate: 8.41% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
65.	Debenture Series 137	2,700.00	2,915.80	Jul 24, 2015	Coupon Rate: 8.53% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
66.	Debenture Series 138	1,000.00	1,075.24	Aug 10, 2015	Coupon Rate: 8.45% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
67.	Debenture Series 140-B	1,250.00	1,335.89	Sep 04, 2015	Coupon Rate: 8.36% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
68.	Debenture Series 141-A	1,000.00	1,066.29	Sep 18, 2015	Coupon Rate: 8.46% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
69.	Debenture Series 141-B	1,000.00	1,065.82	Sep 18, 2015	Coupon Rate: 8.40% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
70.	Debenture Series 146	300.00	304.16	April 27, 2016	Coupon Rate: 8.05% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
71.	Debenture Series 147	1,000.00	1,013.16	May 2, 2016	Coupon Rate: 8.03% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
72.	Debenture Series 149	100.00	100.68	May 31, 2016	Coupon Rate: 8.04% p.a.. Maturity and Redemption At the end of 4 years from the deemed date of allotment	
73.	Debenture Series 150-A	2,660.00	2,834.36	August 16, 2016	Coupon Rate: 7.50% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
74.	Debenture Series 150-B	1,675.00	1,786.70	August 16, 2016	Coupon Rate: 7.63% p.a.. Maturity and Redemption: At the end of 10 years from	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					the deemed date of allotment	
75.	Debenture Series 151-A	2,260.00	2,392.74	September 16, 2016	Coupon Rate: 7.47% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
76.	Debenture Series 151-B	210.00	222.48	September 16, 2016	Coupon Rate: 7.56% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
77.	Debenture Series 152	4,000.00	4,230.02	September 26, 2016	Coupon Rate: 7.55% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
78.	Debenture Series 153	1,830.00	1,931.29	September 30, 2016	Coupon Rate: 7.40% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
79.	Debenture Series 154	1,101.00	1,142.45	December 22, 2016	Coupon Rate: 7.27% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
80.	Debenture Series 155	2,635.00	2,727.38	January 05, 2017	Coupon Rate: 7.23% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
81.	Debenture Series 157	2,000.00	2,028.74	January 17, 2017	Coupon Rate: 6.83% p.a.. Maturity and Redemption At the end of 3 years 2 months and 29 days from the deemed date of allotment	
82.	Debenture Series 159	2,551.00	2,618.01	February 15, 2017	Coupon Rate: 7.05% p.a.. Maturity and Redemption: At the end of 3 years 3	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					months from the deemed date of allotment	
83.	Debenture Series 163	2,435.00	2,487.89	March 17, 2017	Coupon Rate: 7.50% p.a.. Maturity and Redemption At the end of 3 years 6 months from the deemed date of allotment	
84.	Debenture Series 165	3,605.00	3,675.16	March 27, 2017	Coupon Rate: 7.42% p.a.. Maturity and Redemption At the end of 3 years 3 months from the deemed date of allotment	
85.	Debenture Series 166	1,180.00	1,193.71	May 05, 2017	Coupon Rate: 7.46% p.a.. Maturity and Redemption: At the end of 3 years 1 month from the deemed date of allotment	
86.	Debenture Series 167	1,560.00	1,569.96	May 30, 2017	Coupon Rate: 7.30% p.a.. Maturity and Redemption: At the end of 3 years 1 month from the deemed date of allotment	
87.	Debenture Series 168A	1,950.00	1,957.37	June 12, 2017	Coupon Rate: 7.28% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
88.	Debenture Series 168B	1,540.00	1,545.95	June 12, 2017	Coupon Rate: 7.44% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
89.	Debenture Series 169A	3,395.00	3,610.95	August 08, 2017	Coupon Rate: 7.10% p.a.. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
90.	Debenture Series 169B	1,500.00	1,598.10	August 08, 2017	Coupon Rate: 7.30% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
91.	Debenture Series 170A	800.00	835.60	November 22, 2017	Coupon Rate: 7.35% p.a.. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
92.	Debenture Series 170B	2,001.00	2,093.68	November 22, 2017	Coupon Rate: 7.65% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
93.	Debenture Series 171	5,000.00	5,206.68	December 15, 2017	Coupon Rate: 7.62% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
94.	Debenture Series 172	850.00	877.40	January 30, 2018	Coupon Rate: 7.74% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment with put option at the end of 3 year 11 month	
95.	Debenture Series 173A	505.00	519.87	February 12, 2018	Coupon Rate: 7.73% p.a.. Maturity and Redemption At the end of 3 years 1 month from the deemed date of allotment	
96.	Debenture Series 173B	1,325.00	1,364.00	February 12, 2018	Coupon Rate: 7.73% p.a.. Maturity and Redemption At the end of 3 years 1 month 24 days from the deemed date of allotment	
97.	Debenture Series 175	600.00	613.72	March 15, 2018	Coupon Rate: 7.75% p.a.. Maturity and Redemption At the end of 3 years 1 month from the deemed date of allotment	
98.	Debenture Series 176A	1,500.00	1,549.82	March 20, 2018	Coupon Rate: 7.53% p.a.. Maturity and Redemption At the end of 1 year 10 month from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
99.	Debenture Series 176B	1,295.00	1,349.71	March 20, 2018	Coupon Rate: 7.99% p.a.. Maturity and Redemption At the end of 4 years 9 month from the deemed date of allotment	
100.	Debenture Series 177	3,855.00	3,928.59	April 03, 2018	Coupon Rate: 7.85% p.a.. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
101.	Debenture Series 178	3,000.00	3,194.20	October 10, 2018	Coupon Rate: 8.95% p.a.. payable annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
102.	Debenture Series 179A	1,007.40	1,017.66	November 19, 2018	Coupon Rate: 8.67% p.a.. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
103.	Debenture Series 179B	528.40	533.76	November 19, 2018	Coupon Rate: 8.64% p.a.. payable semi-annually Maturity and Redemption At the end of 15 years from the deemed date of allotment	
104.	Debenture Series 180	2,654.00	2,736.07	February 22, 2019	Coupon Rate: 8.75% p.a.. payable annually Maturity and Redemption At the end of 15 years from the deemed date of allotment	
105.	Debenture Series 181	2,155.00	2,210.72	March 11, 2019	Coupon Rate: 8.45% p.a.. Maturity and Redemption At the end of 03 years & 05 months from the deemed date of allotment	
106.	Debenture Series 182	3,500.00	3,585.47	March 14, 2019	Coupon Rate: 8.20% p.a.. payable annually Maturity and Redemption At the end of 01 years &	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					06 months from the deemed date of allotment	
107.	Debenture Series 183	3,751.20	3,838.39	March 19, 2019	Coupon Rate: 8.18% p.a.. payable annually Maturity and Redemption At the end of 03 years from the deemed date of allotment	
108.	Debenture Series 184-A(subordinated Tier II bonds)	2,000.00	2,049.54	March 25, 2019	Coupon Rate: 9.25% p.a.. payable annually Maturity and Redemption At the end of 05 years & 06 months from the deemed date of allotment	
109.	Debenture Series 184-B(subordinated Tier II bonds)	2,411.50	2,470.26	March 25, 2019	Coupon Rate: 9.10% p.a.. payable annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
110.	Debenture Series 185(subordinated Tier II bonds)	1,000.00	1,023.31	March 28, 2019	Coupon Rate: 8.98% p.a.. payable annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
111.	Debenture Series 186	2,578.90	2,617.31	April 30, 2019	Coupon Rate: 8.7929% p.a.. payable annually Maturity and Redemption at the end of 15 years from the deemed date of allotment	
112.	Debenture Series 187-A	1,605.00	1,617.59	May 27, 2019	Coupon Rate: 8.20% p.a.. payable annually Maturity and Redemption at the end of 03 years from the deemed date of allotment	
113.	Debenture Series 187-B	1,982.10	1,998.87	May 27,2019	Coupon Rate: 8.85% p.a.. payable annually Maturity and Redemption at the end of 10 years	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
					from the deemed date of allotment	
114.	Debenture Series 188	691.10	695.23	June 04,2019	Coupon Rate: 8.10% p.a.. payable annually Maturity and Redemption at the end of 05 years from the deemed date of allotment	

F. GoI Fully Serviced Bonds as on June 30, 2019^:

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding# (Rupees in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Credit Rating for the bonds listed below
1.	Debenture Series 156	200.00	206.65	January 11, 2017	Coupon Rate: 7.10% p.a.. (payable semi-annually) Maturity and Redemption: At the end of10 years from the deemed rate of allotment	AAA by CRISIL, and CARE from ICRA
2.	Debenture Series 158	1,335.00	1,377.54	January 20, 2017	Coupon Rate: 7.18% p.a.. (payable semi-annually) Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
3.	Bond Series 160	1,465.00	1,504.96	February 20, 2017	Coupon Rate: 7.60% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
4.	Bond Series 164	2,000.00	2,042.89	March 22, 2017	Coupon Rate: 7.75% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	

#As per IND AS

^ These bonds have been raised to meet GoI'S requirement for the purpose of central sector schemes. The utilisation of funds raised through bonds is at the discretion of MoP and the funds is spent by PFC only for the purposes/ central sector schemes as decided by MoP. The outstanding value of these bonds are shown under "other financial liabilities", since maturity amount and the coupon payment throughout the tenure will be funded by GoI. The corresponding equivalent value is shown under "other assets" in the financial statements . Accordingly, outstanding value of these bonds are not included in the total borrowings.

List of Top 10 debenture holders of our Company as on June 30, 2019

Given below are details of the top 10 secured debenture holders of our Company as of June 30, 2019:

Sr. No.	Name of Debenture holder	Amount (Rupees in crore)
1.	Aditya Birla Sun Life Trustee Private Limited	390.00
2.	ITC Limited	389.55
3.	Azim Premji Trust	283.55
4.	Pioneer Independent Trust	270.36
5.	Infosys Limited	250.00
6.	Hindustan Zinc Limited	212.39
7.	Techpro Ventures LLP	163.15
8.	Shree Cement Limited	115.00
9.	Oil India Limited	100.00
10.	Vedanta Limited	97.16

Given below are details of the top 10 unsecured debenture holders of our Company as of June 30, 2019:

Sr. No.	Name of Debenture holder	Amount (₹ in Crore)
1	Life Insurance Corporation Of India	31,614.70
2	Employee Provident Fund Organisation	21,612.04
3	State Bank Of India	17,885.61
4	Aditya Birla Sun Life Trustee Private Limited	8,275.70
5	NPS Trust- A/C Kotak Pension Fund	6,888.70
6	HDFC Trustee Co. Ltd.	5,248.00
7	Coal Mines Provident Fund Organisation	4,722.10
8	SBI Debt Fund	4,257.50
9	ICICI Prudential Capital Protection Oriented Fund	4,185.10
10	IDFC Cash Fund	3,599.20

Corporate Guarantee issued by our Company

The table set forth below provides the details in respect of corporate guarantee issued by our Company on behalf of following companies, as of June 30, 2019:

Entities	Amount (In Rupees)	Counterparty
Sri Maheswar Hydel Power Corporation Limited (“**SMHPCL**”)	396.64 crore	IDBI Trusteeship Limited (Debentures trustees of OFCD raised by SMHPCL)
Total	**396.64 crore**	

Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past five years

There has been no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past five years.

Details of any outstanding borrowing taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option

Our Company has not, since its incorporation, issued any debt securities (i) for consideration other than cash, (ii) at a premium or at a discount, except for the tax free bonds issued on private placement in the Financial Years 2011-2012, 2012-13, 2013-14 and 2015-16 and foreign currency bonds under medium term notes programme through various tranches - 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027, Medium Term Notes.

Details of Rest of the Borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on June 30, 2019.

The Issuer has no other outstanding borrowings in form of hybrid debt like FCCB, Optionally Convertible Debentures as on June 30, 2019.

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SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND-AS

The Reformatted Audited Financial Information under IGAAP included in this Draft Shelf Prospectus have been prepared by the Company from the financial statements prepared in accordance with Indian GAAP, which differs from Indian Accounting Standards ("**IND-AS**") in certain respects

The Ministry of Corporate Affairs ("**MCA**") in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 Lakh or more as of March 31, 2016 shall comply with IND-AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, we are subject to this notification.

"Summary of Significant Differences among Indian GAAP and IND-AS", does not present all differences between Indian GAAP and IND-AS which are relevant to the Company. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus. Furthermore, the Company has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IND-AS which may result from prospective changes in accounting standards. The Company has not considered matters of Indian GAAP presentation and disclosures, which also differ from IND-AS. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IND-AS and how those differences might affect the financial information included in this Draft Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IND-AS on future financial information or that the application of IND-AS will not result in a materially adverse effect on the Issuer's future financial information.

Topic	Indian GAAP	IND AS
Presentation of Financial Statements — Components of financial statements	The requirements for the presentation of financial statements are set out in Schedule III, Division I to the Companies Act, 2013 and the accounting standards notified thereunder are applicable to the preparation of financial statements of respective years. The components of financial statements are: (a) balance sheet; (b) statement of profit and loss; (c) cash flow statement; and explanatory notes and accounting policies.	The requirements for the presentation of financial statements, and the guidelines for their structure and content are set out in IND-AS 1. A complete set of financial statements under IND-AS comprises: (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income (presented as a single statement or by presenting the profit and loss section in a separate statement of profit or loss, immediately followed by a statement presenting comprehensive income beginning with profit or loss); (c) statement of cash flow; (d) statement of changes in equity; and (e) notes comprising a summary of significant accounting policies and explanatory notes. Further, Schedule III, Division II, to the Companies Act, 2013 sets out the requirements for the presentation of financial statements which are in conformity with IND-AS 1. Disclosure requirements specified in Schedule III are in addition to and not in substitution of the disclosure requirements specified in Ind AS.
Presentation of Financial Statements — Disclosure of Reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosure for the nature, amount and reason for reclassification.	The disclosure of reclassification of comparative amounts includes the nature, amount and reason for reclassification, if material.

Topic	Indian GAAP	IND AS
Presentation of Financial Statements — Balance sheet/statement of financial position.	All items of assets and liabilities are to be bifurcated between current and non-current portions and presented separately on the cover of the balance sheet. Schedule III of the Companies Act, 2013 sets out the minimum requirements for disclosure required in the balance sheet and statement of profit and loss account and notes.	An entity is required to present financial and non-financial assets and liabilities, as separate classifications on the face of the statement of financial position. Minimum line item requirements are set out in Division III to Schedule III to the Companies Act, 2013
Presentation of Financial Statements — Presentation of income statement	Schedule III to the Companies Act, 2013 only permits an analysis of expense by nature.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of the expense.
Presentation of Financial Statements — Statement of changes in equity	Statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to financial statements.	A statement of changes in equity is presented.
Presentation of Financial Statements — Critical Judgments	The disclosure of critical judgments made by the management is not specifically required.	The critical judgements made by the management in applying accounting policies are to be disclosed separately as part of accounting policies.
Presentation of Financial Statements — Disclosure of Capital	The information regarding management of capital is not required to be disclosed.	The disclosure of information about management of capital and compliance with externally imposed capital requirements, if any, is required.
Presentation of Financial Statements — Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	No concept of Extraordinary Items
Cash Flow Statement — Bank overdrafts	Bank overdrafts are considered to be financing activities.	Bank overdrafts are included in cash & cash equivalents if they form an integral part of an entity's cash management.
Cash Flow Statement — Cash flows from extraordinary items	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and are disclosed separately.	As presentation of items as extraordinary is not permitted in accordance with IAS 1, a cash flow statement does not reflect any items of cash flow as extraordinary.
Changes in Accounting Policies and Errors	Changes in accounting policies are not applied retrospectively. The cumulative impact arising from such change is made in the financial statements in the period of change. If the impact of the change is not ascertainable, this should be disclosed. Material prior year errors are included in determination of profit or loss in the period in which the error is discovered and are separately presented in the profit and loss,	Retrospective application of changes in accounting policies is made by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period

Topic	Indian GAAP	IND AS
	so that the impact on current profit or loss can be perceived.	before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated. Material prior year errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred , or if the error occurred before the earliest period presented, by restating the opening statement of financial position.
New accounting pronouncements	Not required to be disclosed	New accounting pronouncements that have been issued but which are not effective on the date of the statement of financial position are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed.
Income Taxes — Recognition of deferred tax assets and liabilities	Deferred taxes are recognised for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Deferred tax shall be recognised for all taxable temporary differences except to the extent they arise from initial recognition of: (a) goodwill; or (b) an asset or liability in a transaction which is not a business combination, and, at the time of the transaction, affects neither the accounting nor the tax profit
Income Taxes — Recognition of taxes on items recognised in other comprehensive income or directly in equity	No specific guidance in AS 22. However, an announcement made by the Institute of Chartered Accountants of India (the "ICAI") requires any expense charged directly to reserves and/or securities premium accounts to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.
Income Taxes — Investments in subsidiaries, associates, and interests in joint ventures	No deferred tax is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation	Deferred tax liability for all taxable temporary differences are recognized except to the extent the parent, the investor, the venture or joint operator is able to control timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Income Taxes — Deferred tax on unrealised intra-group profits	Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax on unrealised intra-group profits is recognised at the buyer's rate, in the consolidated financial statements.
Determining whether an arrangement contains a lease	There is no such requirement.	An arrangement that does not take the legal form of a lease, but the fulfilment of which is dependent on the use of identified

Topic	Indian GAAP	IND AS
		assets and which conveys the right to control the use the assets, is accounted for as a lease in accordance with IND AS 116.
Operating Leases commitments	Operating lease commitments are not recognised.	Operating lease commitments and corresponding right of use assets are recognised in the financial statements in all cases other than low value assets and short term leases.
Revenues — Definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them.	Income arising in the course of an entity's ordinary activities.
Revenues — Measurement	Revenue is recognised as the nominal amount of consideration receivable.	Transaction price is consideration which is expected from transferring goods & services excluding amounts collected for third parties.
Revenues — Interest Provision for Loans	Interest is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable. Prudential Norms issued by Reserve Bank of India provided specific guidance for provisions to be created against loan assets, including minimum rates of provision to be created against each category of loans i.e., standard, sub-standard and doubtful.	Interest income is recognised using the effective interest method as per Ind AS 109. Ind AS 109 has introduced a concept of Expected Credit Loss (ECL) which is calculated taking into consideration Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD). The guidance given in the standard specifies that PD and LGD shall be calculated considering the history of losses experienced by the company, and also consider forward looking macroeconomic information, which are relevant to the Company.
Employee benefits — Actuarial gains and losses	Actuarial gains and losses should be recognised immediately in the statement of profit and loss as income or expense.	Actuarial gains and losses arising on post retirement defined benefit obligations shall be recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Employee benefits — Discount rate	Market yields at the balance sheet date on government bonds are used as discount rates.	The rate used to discount shall be determined by reference to market yields at the end of the reporting period on government bonds.
Effects of Changes in Foreign Exchange Rates — Functional and presentation currency	Foreign currency is a currency other than the reporting currency, which is the currency in which financial statements are presented. An enterprise normally uses the currency of the country in which it is domiciled to present its financial statements. If it uses a different currency, disclosure of the reason for using that	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than functional currency. Presentation currency is the currency in which the financial statements are presented.

Topic	Indian GAAP	IND AS
	currency is required. There is no concept of functional currency.	
Effects of Changes in Foreign Exchange Rates — Exchange differences (other than the first time adoption exemption)	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise. However, an irrevocable option is provided in Para 46 of Accounting Standard 11 (AS-11) wherein exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term asset/liability by recognition as income or expense in each of such periods.	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise
Related Party Disclosures — Post employment benefit plans	Post-employment benefit plans are not included as related parties.	Compensation includes post-employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.
Related Party Disclosures — Key management personnel	Key management personnel do not include non-executive directors.	Key management personnel include both executive and non-executive directors.
Related Party Disclosures — Government related entities	No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.	Government related entities require disclosure of the name of the government and its relationship with the reporting entity and the nature and amount of each significant transaction and a qualitative or quantitative indication of other transactions which are significant collectively.
Consolidated Financial Statements — Definition of control of investee	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in the case of any other enterprise so as to obtain economic benefits from its activities.	An investor controls an investee when the investor is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Consolidated Financial Statements — Potential voting rights	Potential voting rights are not considered when assessing control.	Potential voting rights are considered only if they are substantive. For a right to be substantive it must give the holder the current ability to direct the relevant activities of an investee when necessary and the holder must have the practical ability to exercise that right.

Topic	Indian GAAP	IND AS
Consolidated Financial Statements — Exclusion of subsidiaries	Excluded from consolidation if the subsidiary was acquired with intent to dispose of it within 12 months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IND AS 105, it is included in the consolidation but is accounted for under that standard.
Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.
Consolidated Financial Statements — Uniform Accounting policies	Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. except if it is impracticable to use uniform accounting policies, which fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different policies have been applied.	Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
Consolidated Financial Statements — Disposals	No specific guidance.	Partial disposal of a subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognised. Partial disposal of a subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognised as gain or loss in profit or loss.
Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements of the parent	Accounted at cost less impairment loss.	Accounted for either at cost less impairment loss in accordance with Ind AS 27 or measured at fair value through other comprehensive income as per Ind AS 109. If applicable, accounted as held for sale in accordance with IND AS 105.. However, Equity method is not permitted in separate financial statements.
Investments in Associates and Joint Ventures — Significant influence	Potential voting rights are not considered when assessing significant influence.	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.
Investments in Associates and Joint Ventures — Capital Reserve/Negative Goodwill	Capital reserve is included in the carrying amount of investment in the associate but is disclosed separately.	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
Investments in Associates and Joint Ventures — Reporting date	The maximum difference between the reporting date of the associate and that of the parent is not specified.	The difference between the reporting date of the associate and that of the parent shall be no more than three months.
Investments in Associates and Joint Ventures — Method of Accounting	Investments in associates are accounted for using the equity method whereas investments in joint ventures are accounted for using the proportionate consolidation method.	Investments in associates or joint ventures are to be accounted for using the equity method in consolidated financial statements.
Financial Instruments: Presentation —	Classified as debt based on its legal form and any interest expense is recognised based on the coupon rate.	Split the instrument into its liability and equity components at issuance., except for conversion option embedded in a foreign

Topic	Indian GAAP	IND AS
Classification of convertible debts		currency convertible bond under certain circumstances.
Financial Instruments: Presentation — Treasury shares	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	If an entity reacquires its own shares (treasury shares), these are shown as a deduction from equity.
Earnings per share — Disclosure	AS 20 requires disclosure of basic and diluted EPS information both in separate and consolidated financial statements.	IND AS 33 requires separate disclosures for EPS from continuing and discontinued operations. Disclosure is also required for instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.
Impairment of Assets — Reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period.
Provisions, Contingent Liabilities and Contingent Assets — Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values, other than provision for capitalised decommissioning liabilities.	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.
Provisions, Contingent Liabilities and Contingent Assets — Contingent assets	Contingent assets are not disclosed in the financial statements.	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.
Intangible assets — Measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amount.
Intangible assets — Useful life	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.	Useful life may be either finite or indefinite.
Financial Instruments: Recognition and Measurement — Investments, loans and receivables	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value which is other than temporary. Current investments are carried at the lower of cost and fair value. Loans and receivables are measured at cost less valuation allowance.	Financial assets are classified as at fair value through profit and loss, fair value through OCI, and amortised cost. Financial assets are classified as fair value through profit and loss if they are acquired principally for the purpose of selling and are part of a portfolio that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Financial assets are classified as fair value through OCI when an entity's business model's objective is achieved both by collecting cash flows and by selling financial assets.

Topic	Indian GAAP	IND AS
		Financial assets at amortised cost are assets which meet the SPPI criteria. These instruments are measured at amortised cost using the effective interest method.
Financial Instruments: Recognition and Measurement — Impairment	Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss.	Impairment losses recognised in profit or loss for equity investments cannot be reversed through profit or loss.
Financial Instruments: Recognition and Measurement — Foreign currency contracts	Premium or discount on forward exchange contracts is amortised and recognised in the statement of profit and loss over the period of such contracts. Exchange differences on such a contract should be recognised in the statement of profit and loss in the reporting period in which the exchange rates change.	A forward exchange contract is measured at fair value as at the statement of financial position date, unless the rules for hedge accounting are applied.
Financial Instruments: Recognition and Measurement — Derivatives and embedded derivatives	There is no equivalent standard on derivatives however; guidance note state all the derivatives, except those covered in AS 11 are to be recognized at fair value.	Measured at fair values.
Non-current assets held for sale — Recognition and measurement	There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.
Non-current assets held for sale and discontinued operations — Classification	An operation is classified as discontinued at the earlier of: (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.
Operating Segments — Determination of segments	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach.	Operating segments are identified based on the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Operating Segments — Measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise’s financial statements.	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.
Operating Segments — Entity-wide disclosures	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting formats are less detailed than those required for primary reporting formats.	Requires disclosure of: (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of

Topic	Indian GAAP	IND AS
		domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer are 10 per cent. or more of total segment revenues.
Presentation of Financial Statements – Classification of Financial Liabilities upon breach of covenants.	There is no guidance in the existing standards. Schedule III Specifies that financial liabilities where the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date will be classified as current liabilities. The Guidance Notes on revised Schedule VI to the companies Act, 1956 (Schedule VI has now been superseded by Schedule III under the Companies Act, 2013) issued by the ICAI states that "In the Indian context, the criteria of a loan becoming repayable on demand on breach of a covenant, is generally added in the terms and conditions as a matter of abundant caution. Also, banks generally do not demand repayment of loans on such minor defaults of debt covenants. Therefore, in such situations, the company generally continue to repay the loan as per its original terms and conditions. Hence, considering that the practical implications of such minor breach are negligible in the Indian scenario, an entity could continue to classify the loan as "non-current" as on the Balance Sheet date since the loan is not actually demanded by the bank at any time prior to the date on which the Financial Statements are approved.	Where there is a breach of a material provision of a long-term arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach, the loan will not be classified as current.
Income Taxes – disclosure	Certain additional disclosures like rate reconciliation, tax holidays and their expiry and unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures are not required.	Additional disclosures required under IND AS include: • A reconciliation between the income tax expense (income) reported and the product of accounting profit multiplied by the applicable tax rate. Either a numerical reconciliation or tax rate reconciliation is required to be presented. • Details of tax holidays and expiry. • Unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures.

Topic	Indian GAAP	IND AS
Deferred taxes – recognition on foreign currency denominated non-monetary assets/ liabilities when the tax reporting currency is not the functional currency	Not applicable as there is no concept of functional currency.	The non-monetary assets and liabilities of an entity are measured in its functional currency. If the entity's taxable profit or tax loss (and, hence, the tax base of its non-monetary assets and liabilities) is determined in a different currency, changes in the exchange rate give rise to temporary differences that result in a recognised deferred tax liability or asset.
Property, Plant and Equipment – scope	There is no exemption in AS 10 for property under development for future use as investment property.	Property under construction or development for future use as investment property is excluded from the scope of IND AS 16 and is within the scope of IND AS 40, Investment Property. Biological assets that meet the definition of a bearer plant i.e. a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and which will not be sold as agricultural produce are included in property, plant and equipment (effective from 1 January 2016 with earlier application permitted).
Property, Plant and Equipment – presentation of capital advances	Schedule III requires capital advances to be presented separately under the head 'Long-term loans and advances', as part of non-current assets.	As per Ind AS Schedule III, capital advances should be included under other non- current assets.
Evaluating the Substance of Transactions Involving the Legal Form of a Lease	No specific guidance	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.
Intangible Assets – goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years (as per AS 14).	Not amortised but subject to annual impairment test or more frequently whenever there is an impairment indication.
Investment Property – definition and scope	AS 13 defines investment property as an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise.	Investment property is land or building (or part thereof) or both held (whether by owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both. IAS 40 does not apply to owner occupied property or property that is being constructed or developed on behalf of third parties or property held for sale in the ordinary course of business, or property that is leased to another entity under a finance lease.

Topic	Indian GAAP	IND AS
Investment Property – measurement	Classified as long-term investments and measured at cost less impairment. As per Schedule III to the Companies Act, 2013, they are classified as non-current investments.	Investment properties are measured using the cost model. Fair value model is not permitted. Detailed disclosures pertaining to fair value have to be given.
First Time Adoption		
Previous GAAP	No specific guidance.	IND-AS 101 defines previous GAAP as the basis of accounting that a first-time adopter used for its reporting requirement in India immediately before adopting IND-AS.
Treatment of Changes in Retained Earnings	No specific guidance.	The first-time adopter shall account for the resulting change in the retained earnings as at the transition date. In specific instances, IND-AS allowed adjustment to be made with capital reserve to the extent such adjustment amount does not exceed the balance available in capital reserve.
Additional Exemptions	No specific guidance.	IND-AS 101 provides certain optional exemptions relating to the long-term foreign currency monetary items and service concession arrangements relating to toll roads. An entity may continue the policy adopted for accounting for exchange differences arising from the translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately after the beginning of the first IND-AS financial reporting period as per previous GAAP.
Transitional Relief — Property, Plant and Equipment	No specific guidance.	Paragraph D7AA provides the option to use carrying values of all of its property, plant and equipment as at the date of transition to IND-AS, measured as per previous GAAP and to use them at its deemed cost as at the date of transition.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION

Our Company, our Promoter, our Directors and our Subsidiaries are involved in various legal proceedings from time to time in the ordinary course of business. Such proceedings may include, among other things, routine tax audits and assessments, some of which may be challenged or appealed, including on account of disallowance of claimed deductions, or claimed procedural irregularities.

For the purpose of disclosures in this Draft Shelf Prospectus, in respect of all pending legal proceedings (including civil cases, arbitration proceedings, public interest litigation, recovery matters, and employment matters) involving our Company, our Directors, our Subsidiaries (except REC), our Company has considered the following litigation as "**Material Civil Cases**":*

(a) if the amount involved is ascertainable, of such claim where the monetary value is approximately ₹. 69.53 crore (viz, 1% of profit after tax for the year ended March 31, 2019 of our Company on a standalone basis) or more; or

(b) if amount is not ascertainable, then all such proceedings which may have a material adverse effect on our Company

**[*]Provided that for the purpose of disclosure of material civil cases for REC, we have considered 1% of PAT of REC for Fiscal 2019 i.e.57.64 crore considering that REC is a material subsidiary of our Company.*

The section below describes the proceedings, which singly or in aggregate, are Material Civil Cases. Although the results of any litigation or related claims or investigations cannot be predicted with certainty, regardless of the outcome, litigation may have an adverse impact on us because of defence and settlement costs, diversion of management resources or other factors.

Except as disclosed below, as on the date of this Draft Shelf Prospectus:

- *there are no criminal proceedings involving our Company, our Directors and our Subsidiaries that are pending;*
- *there are no material Civil Cases involving our Company, our Director and our Subsidiaries, or any other person, whose outcome could have a material adverse effect on our Company;*
- *there are no pending proceedings initiated against the Company for economic offences;*
- *there are no acts of material frauds committed against the Company in the last five years, if any, and if so, the action taken by the Company;*
- *there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, and fixed deposits and etc., by our Company;*
- *there are no matters pertaining to default and non-payment of statutory dues;*
- *there aren't any inquiry, inspections or investigations initiated or conducted, and the fines imposed or compounding of offences in the last five years under the Companies Act, 2013 or any previous companies' law in the last five years in the case of the Company and its Subsidiaries; and*
- *there are no material regulatory proceedings involving the Company or tax litigations resulting in material liabilities at the time of the Issue which may affect the Issue or an investor's decision to invest/continue to invest in the NCDs*

I. Outstanding litigations involving our Company

a. Litigation against our Company

i. Criminal Proceedings

There are no outstanding criminal proceedings filed against our Company.

ii. Material Civil Cases

1. Two applications have been filed against Indian Leasing & Financing Services Limited ("**IL&FS**") with the National Company Law Appellate Tribunal, Mumbai ("**NCLAT**"). Our Company had provided financial assistance to five group companies of IL&FS viz. Lalpur Wind Energy Private Limited, Khandke Wind Energy Private Limited, Ratedi Wind Power Private Limited, Etesian Urja Limited and Wind Urja Private Limited ("**Wind SPVs**"). As informed by the Wind SPVs, IL&FS has been undergoing restructuring and the issue is pending in NCLAT for necessary directions. Our Company along with four other creditors of IL&FS companies were impleaded in the instant appeals in the capacity of five largest lenders. In this regard, the Wind SPVs have been paying their outstanding dues on time and have further informed that the NCLAT has approved the sale of these Wind SPVs to Orix, a company in Japan vide its order dated August 28, 2019. The total claim amount against Wind SPVs is ₹ 2,388.60 crore. The matter is currently pending in NCLAT.

2. A writ petition has been filed by Coastal Andhra Power Limited **("CAPL")** and Reliance Power Limited **("RPL")** invoking the Share Purchase Agreement executed between our Company, CAPL and RPL on January 28, 2008 ("**SPA**"). Coastal Andhra Power Limited **("CAPL")** was transferred to Reliance Power Limited **("RPL")** for development of Krishnapattnam Ultra Mega Power Project. On March 15, 2012, Andhra Pradesh Southern Power Distribution Company Limited **("APSPDCL")** issued a notice of termination of Power Purchase Agreement **("PPA").** CAPL had filed a writ petition before the Hon'ble High Court of Delhi seeking interim protection inter-alia against termination of PPA and the invocation of the concerned bank guarantee. Single bench had dismissed the petition and held that petition filed by CAPL was not maintainable. RPL filed the appeal against the decision of Single Bench before Division Bench. Division bench dismissed all the appeals filed by CAPL and RPL. Now RPL and CAPL have filed this petition invoking the SPA and has prayed for issuance of directions to our Company and APSPDCL to initiate and conclude the process of buyback of shares. The claim amount involved is ₹ 253.49 crore. The petition is listed for admission of the matter.

iii. Tax Litigations

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (₹ in crore)
1.	Direct Tax	16	297.76
2.	Indirect Tax	2	21.53
	Total	18	319.29

b. Litigation filed by our Company

i. Criminal Proceedings

Please refer to the section titled "*Material frauds committed against our Company*" below.

ii. Material Civil Cases

1. An insolvency proceeding had been initiated against Ind Barath Energy (Utkal) Limited u/s 7 of Insolvency and Bankruptcy Code ("**IBC**") wherein a claim application dated September 11, 2019, amounting to ₹ 2,154.18 crore had been filed by our Company along with other lenders. The applications had been admitted by NCLT vide its order dated August 29, 2018 *inter alia* declaring moratorium and appointing Insolvency Resolution Professional (**"IRP"**), as suggested by Bank of Baroda. The bidding process has commenced, and the matter is currently pending.

2. An insolvency application has been initiated u/s 9 of IBC against Ind-Barath Power (Madras) Ltd. for initiation of Corporate Insolvency Resolution process **("CIRP")**, wherein a claim was filed by our Company. Since no resolution plan was received by the adjudicating authority, NCLT passed liquidation orders for Ind-Barath Power (Madras) Ltd. on April 22, 2019. Liquidator had been appointed. Now, claims before Liquidator for an amount of ₹ 642.08 crore has been filed by our Company.

3. An insolvency application has been initiated u/s 7 of IBC against East Coast Energy Private Limited ('**ECEPL**") for initiation of Corporate Insolvency Resolution process **("CIRP")** wherein a claim was filed by our Company in pursuance of CIRP. Since no resolution plan was received, NCLT Hyderabad passed liquidation orders on April 22, 2019. Liquidator had been appointed and liquidation orders have been passed. Now, claims before Liquidator for an amount of ₹ 1,671.36 crore has been filed by our Company.

4. An application was filed by IDBI Bank Ltd. against Konaseema Gas Power Limited and others u/s 7 of IBC for initiation of CIRP. In pursuance of CIRP, claim was filed by our Company on August 27, 2018 for an amount of ₹ 1,175.14 crore. Insolvency Resolution Professional ("**IRP**") had been appointed and a Committee of Creditors **("COC")** had been constituted for carrying out the necessary resolution process under CIRP. The petition was admitted by NCLT Hyderabad on December 18, 2018. The matter is currently pending.

5. An application was filed against Jhabua Power Limited by Operational Creditor u/s 8 and 9 of IBC for initiation of CIRP. This application was admitted by NCLT Kolkata on March 27, 2019. In pursuance of CIRP, a claim was filed by our Company for an amount of ₹ 1,034.50 crore. IRP has been appointed and a CoC has been constituted for carrying out the necessary resolution process under CIRP. COC in its last meeting dated September 16, 2019, circulated the draft request for resolution plan to the lenders for their observations. The matter is currently pending.

6. An application was filed by our Company u/s 7 of IBC against Krishna Godavari Power Utilities Limited **("KGPUL")** for initiation of CIRP. This application was admitted by NCLT Hyderabad on December 4, 2018. In pursuance of CIRP, claim was filed by our Company along with other lenders for an amount of ₹ 148.07 crore. IRP has been appointed and a CoC has been constituted for carrying out the necessary resolution process under CIRP. COC in its last meeting on August 26, 2019 has agreed upon a resolution plan which shall require approval. The matter is currently pending.

7. An application was filed by our Company u/s 7 of IBC against KVK Nilachal Power Private Limited for initiation of CIRP. In pursuance of CIRP, claim was filed by our Company along with other lenders for an amount of ₹ 668.90 crore. This application is pending for admission before NCLT Hyderabad. Pleadings with respect to the admission of the application have been concluded. The matter was last heard on August 22, 2019 and has been reserved for further orders. The matter is currently pending.

8. An application was filed against Jal Power Corporation Limited by our Company u/s 7 of IBC for initiation of CIRP. This application had been admitted before NCLT Hyderabad on April 9, 2019. In pursuance of CIRP, claim was filed by our Company on for an amount of ₹ 770.28 crore. IRP has been appointed and a CoC has been constituted for carrying out the necessary resolution process under CIRP. COC in its last meeting on August 22, 2019 has agreed upon the request for resolution plan and for sharing of the same with the final prospective applicants. The matter is currently pending.

9. An application was filed by our Company u/s 7 for initiation of CIRP against Shree Maheshwar Hydel Power Corporation Limited for an amount of ₹ 2,789.42 crore. This application is pending for admission before NCLT Ahmedabad and the pleadings with respect to the admission of the application are yet to be concluded. Meanwhile, PFC has entered into a MoU with Shree Maheshwar Hydel Power Corporation Limited and its promoters for exploring options for a settlement plan. The matter is currently pending.

10. Applications were filed by M/s Entegra Limited & Power Infrastructure & ors. against Shree Maheshwar Hydel Power Corporation Limited and ors. u/s 241, 242, 244 and 59 of the Companies Act 2013 in NCLT Ahmedabad claiming dues amounting to ₹ 16,607.77 crore. PFC has filed the replies to both the applications. The matter is pending for arguments before the NCLT.

11. An original application was filed by Assets Care & Reconstruction Enterprises Limited against Jas Infrastructure and Power Limited & Ors. before Debt Recovery Tribunal ("**DRT**") -II, New Delhi. Applications for joining of our Company, India Infrastructure Finance Company Limited and State Bank of Bikaner and Jaipur amongst others as co-applicants in the application was filed on September 6, 2016. The application for impleadment of PFC has been allowed by the concerned DRT. Amended original application had been filed on January 31, 2017 for recovery of our dues amounting to ₹ 312.16 crore. The matter is reserved for final order.

12. Our Company alongwith other lenders have provided financial assistance to Shree Maheshwar Hydel Power Corporation Limited ("**SMHPCL")**. In this regard, on the account turning non performing asset, our Company along with REC, IIFCL, HUDCO and Edelweiss have filed an original application in DRT, Delhi against the personal and corporate guarantors of SMHPCL. Our Company has filed application for claim amount of ₹ 826.19 crore. Meanwhile, we have entered into an MoU with SMHPCL and its promoters for exploring a settlement plan. The matter is pending before DRT, Delhi for further submissions.

13. A writ application has been filed by our Company in Delhi High Court against IDBI Bank & ors. seeking issuance of writ of mandamus or any other appropriate writ/direction/order for directing IDBI Bank Limited to release the payment of a sum of ₹ 88.56 crore towards its obligations under the bank guarantee furnished in the favour of our Company for debt servicing on behalf of Lanco Amarkantak Power Limited The matter is currently pending.

14. An application was jointly filed by IDBI Bank Limited, our Company & ors. against Konaseema Gas Power Limited & ors. u/s 19 of Recovery of Debts due to Banks and Financial Institutions Act, 1993. The application was filed by our Company before DRT Hyderabad for recovery of dues amounting to ₹ 956.01 crore for default of payments. The matter is currently pending.

15. A civil suit has been filed by our Company and ors. against Axis Bank Limited and ors. for non-performance of their duties as Trust and Retention Account Bank in the Ind Barath (Madras) Project and thereby causing loss to the lenders. Claims amounting to ₹ 625.09 crore has been filed for by our Company. The proceedings for admission of matter before High Court of Delhi are not yet concluded and the matter is currently pending.

16. An application was filed by our Company against South East U.P. Power Transmission Company Limited u/s 7 of IBC for initiation of CIRP. This application is pending for admission before NCLT Allahabad for a claim amounting to ₹ 2,475.50 crore. Pleadings with respect to the admission of the application are yet to be concluded. The matter is currently pending.

17. An original application has been filed by our Company and ors. against KVK Nilanchal Power Private Limited & ors. for recovery of dues amounting to ₹ 1,954.45 crore before the DRT-II, Delhi. The matter is yet to be notified by the forum for listing.

18. An original application has been filed by our Company against M/s. Lanko Amarkantak Power Limited before DRT-II, Delhi u/s 19 of the Recovery of Debt and Bankruptcy Act for recovery of dues amounting to ₹ 3,118.19 crore. Present original application is pending before the forum.

19. An application was filed by our Company against KSK Mahanadi Power Corporation Limited before NCLT Hyderabad for initiation of CIRP proceedings u/s 7 of IBC wherein a claim was filed for an amount of ₹ 544.62 crore. The matter is yet to be admitted by NCLT, Hyderabad and the proceedings for admission are ongoing.

iii. *Tax Litigations*

S. No.	**Type of Tax Proceedings**	**Total number of cases**	**Amount involved (₹ in crore)**
1.	Direct Tax	20	218.83
2.	Indirect Tax	2	1.27
	Total	22	220.10

II. Outstanding litigations involving our Subsidiaries

a. PFCCL

i. Criminal Proceedings

There are no pending criminal proceedings involving PFCCL.

ii. Material Civil Cases

For details of Material Civil Cases involving PFCCL, please refer to the section *"Legal and Other Information - litigation filed by our Company"* beginning on page 198.

iii. Tax Litigations

S. No.	**Type of Tax Proceedings**	**Total number of cases**	**Amount involved (₹ in crore)**
1.	Direct Tax	NIL	NIL

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (₹ in crore)
2.	Indirect Tax	NIL	NIL
	Total	NIL	NIL

b. REC

i. Criminal Proceedings

1. REC came across an instance of fraudulent encashment through forged documents of money invested by one of the investors in 54EC Capital Gains tax Exemption Bonds by some impersonator during the year 2016-17. Based on the complaint filed by REC, the police filed an FIR against the impersonator and the officials of then Registrar and Transfer Agent ("**R&TA**"). The matter was duly reported to the RBI. A criminal case (FIR No. 204/2017) has also been filed by the police against the suspected culprits. REC has also filed a civil suit on 1st March, 2018, against the erstwhile R&TA (M/s RCMC Share Registry Private Limited) for recovery of the dues. The matters are pending for adjudication.

2. REC had sanctioned a term loan under a consortium lending facility to IBPML for developing 660MW Coal based Thermal Project in Tuticorin District, Tamil Nadu. Power Finance Corporation Limited is the lender's agent (Lead) as well as Security Trustee for the consortium. The project has been classified as 'Non-Performing Asset' by REC. In the forensic audit report, instances of mis-utilisation of project funds by the borrower to meet the shortfall in cash flows of its other group companies were reported. Further, some part of the project funds were paid by the borrower company to some of the project contractors as advances which were also reported to have been diverted to group companies through the creation of fixed deposits. The matter was duly reported to the RBI and Law Enforcement Agencies. A joint civil suit for the claim amount has also been instituted against the TRA Banker by the lenders in Hon'ble High Court of Delhi on April 2, 2019. The said matter is pending for adjudication before the Hon'ble High Court of Delhi. Insolvency proceedings were initiated against IBPML vide order of NCLT, Hyderabad dated August 14, 2017. However, no viable plan was finalized to the acceptance of the committee of creditors till the expiry of corporate insolvency resolution process period on October 11, 2018. Subsequently, the resolution professional filed a petition in the NCLT for liquidation of the company which was thereafter approved by NCLT. REC has filed its claim with the liquidator and the liquidation proceeding have commenced.

3. REC sanctioned a term loan to KGPL under consortium lending facility with IDBI Bank Limited. The project has been classified as 'Doubtful Asset' by REC since June, 2013. In the forensic audit report, instances were reported regarding misrepresentation by the borrower in terms of equity contribution in the project and certain instances of diversion or misutilisation of project funds. The matter was duly reported to the RBI. Insolvency proceedings were initiated by IDBI Bank Limited against KGPL *vide* order of NCLT dated December 18, 2018. The IBC proceeding is currently undergoing.

ii. Material Civil Cases

1. Mr. K. Rajaiah has filed a civil suit (O.S. No. 25660/2007) before the City Civil Judge, Bengaluru against RCMC Share Registry Private Limited, REC and others. Mr. K. Rajaiah disputed the validity of the will dated September 27, 2006 in favour of certain other beneficiaries who were also impleaded as parties to the suit, who invested about ₹ 8.00 crore in the capital gains exempted bonds of REC, from the money received pursuant to the will. Mr. K. Rajaiah had sought a declaration that the nominations pursuant to the will are illegal and void and for an injunction restraining REC from dispatching the interest/dividend warrants or paying any amount either accrued or invested by way of various bonds until further order. The City Civil Court has passed an order dated April 8, 2008, wherein M/s RCMC and REC were directed to maintain proper accounts of dividend, interest etc. disbursed to other defendant in respect of bond and produce said account before the Court as and when disbursing such dividend and interest. Aggrieved by the said order, the Plaintiff had filed an appeal MFA No.6118/2008 before Hon'ble High Court of Karnataka, Bengaluru, to set aside order dated April 8, 2008 and grant order of temporary injunction to protect estate of Late Mr. Kuppu Swamy till disposal of suit. The MFA No. 6118/2008 was disposed off by the Hon'ble High Court of Karnataka vide its order dated June 4, 2013. The civil suit is currently pending before the City Civil Judge, Bengaluru.

2. AREVA T&D India Limited has filed a Writ Petition (W.P. No. 12358 of 2009) before the Hon'ble Madras High Court against the Union of India, the Assistant Commissioner of Income Tax, Chennai, the Central Board of Direct Taxes, New Delhi and REC. AREVA T&D India Limited has challenged the constitutionality of

explanation (b) of sub-Section (3) to Section 54 EC of the Income Tax Act, 1961 and the proviso thereto introduced by the Finance Act of 2007, and sought directions that REC make available bonds to it for subscription to the extent of ₹ 10.18 crore. On September 1, 2009, the Hon'ble High Court passed interim order. AREVA T&D India Limited challenged the interim order by filing Writ Appeals (W.A. Nos. 1327 and 1328 of 2009) before the Hon'ble Madras High Court. REC has been made a pro forma Respondent in this case. The matter is currently pending before the Hon'ble Madras Court.

3. Mr. Padam Kumar Shantilal Jain has filed a Public Interest Litigation (PIL No. 95 of 2016) before the Hon'ble High Court of Bombay titled as Padam Kumar Shantilal Jain v. Union of India and others. REC is one of the respondents in the matter. The petitioner Mr. Padam Kumar Shantilal Jain is seeking directions from the court to direct some of the answering respondents (including REC) to follow the guidelines and directions for procuring and installing fire protection or prevention systems in electricity generation, transmitting and distribution stations and sub stations as are contained in the Central Electricity Authority (Technical Standards for Construction of Electricity Plans and Electric Lines) Regulations, 2010 to prevent loss of life, limb and property in addition to revenue loss due to non-generation. It is further prayed that some of the answering respondents (including REC) should constitute a committee of technical experts and should take steps to investigate into the cause and reasons of the fire accidents in stations and substations of the electricity utility companies, among others. REC has filed our written submissions dated February 27, 2018, stating that REC is in the business of financing power projects by granting loan facility and the reliefs sought by the petitioner are not associated with our companies business. We have therefore prayed to be deleted as a party from the PIL. The matter is pending for adjudication before the Hon'ble High Court of Bombay.

4. Karnataka State Industrial Areas Development Board ("**KSIADB**"), a statutory body established under the Karnataka Industrial Areas Development Act, 1996, has filed a Writ petition (W.P. No. 23232 of 2017) before the Hon'ble High Court of Karnataka titled as Karnataka State Industrial Areas Development Board v. Union of India and others. REC is one of the respondents in the case. Kudgi Transmission Limited and L&T Infrastructure Development Project Limited (respondents in the case) were in the process of laying a transmission line on the land owned by KSIADB. KSIADB has alleged that the project has to be exercised in conformity with the Indian Telegraph Act, 1885 and that the respondents in the case should refrain from laying the lines and erecting towers. It was further submitted that instead of treating the objections under the provisions of the Indian Telegraph Act, 1885 and referring the matter to the jurisdictional district magistrate, the respondents in the case have continued the work of laying the lines and erection of towers. KSIADB has prayed to restrain the respondents in the case from placing any electrical lines or transmission tower in its industrial area. The matter is pending for adjudication before the Hon'ble High Court of Karnataka.

5. K.T. Enterprises has filed a Special Leave Petition (SLP No. 24766 of 2018) against Union of India represented by the executive director, Deen Dayal Upadhayay Gram Jyoti Yojana ("**DDUGJY**") Rural Electrification Corporation, Ministry of Power and others before the Supreme Court of India. The matter relates to rural electrification works of Tirap district in Arunachal Pradesh under DDUGJY, wherein tender was invited by the department of power, Arunachal Pradesh as employer and government of Arunachal Pradesh as owner. In the bidding process conducted for the tender, the bid of one of the respondents, Mega Electricals, was rejected and the bid of KT Enterprises was accepted. The said bidding process was challenged by Mega Electricals before the single bench of Hon'ble Gauhati High Court, which upheld the decision taken by the authorities. Thereafter, Mega Electricals filed writ appeal before division bench of Hon'ble Gauhati High Court, wherein the order of single judge was set aside and the state respondents were directed to take steps for re initiating the bidding process. Aggrieved by the said order the present SLP is filed by KT Enterprises. The matter is pending for adjudication before the Supreme Court of India.

6. Mr. Hanuman along with other petitioners has filed a Writ petition (W.P. No. 10404 of 2018) before the Hon'ble High Court of Rajasthan titled as Hanuman and others v. Union of India and others. REC is one of the respondents in the case. The respondent in the case are laying down a 33KV GSS electric line at village Kotdi Luharwas, near Kandela, Rajasthan under the DDUGJY. It is alleged by the petitioners that the electricity line is being established parallel to the public road, but the concerned contractor in an illegal and arbitrary manner, is trying to establish the 33KV electric line through the residential and agricultural land of the petitioners and other residents. It is further alleged that the prior to erecting the electric line through the residential and agricultural land of the petitioners, the competent authorities should have declared compensation under the provisions of the Land Acquisition Act. The petitioner also alleged that the contractor has failed to comply with any of the provisions of the Indian Telegraph Act 1885 as well as Indian Electricity Act, 2003. The petitioners have therefore prayed to the court to restrain the respondents from erecting any

electrical lines through their residential and agricultural lands. The matter is pending for adjudication before Hon'ble High Court of Rajasthan.

7. Joseph Tajet has filed a Writ petition (W.P. No. 35003 of 2018) before the High Court of Kerala titled Joseph Tajet v. Union of India and others. REC was instructed by the ministry of power to take requisite steps to defend the case on behalf of the government of India. The petitioner in the case Mr. Joseph Tajet has challenged the action of government of India renaming the scheme name from "Rajiv Gandhi Grameen Vaidyuthikaran Yojana" to "Deen Dayal Upadhyaya Grameen Jyoti Yojana". It is alleged that the said change of the name of the scheme implemented in the name of Ex-Prime Minister without any criteria or norms is illegal, unjust, unreasonable, unfair and arbitrary and hence violative of Article 14 of the Constitution of India. The matter is pending for adjudication before Hon'ble High Court of Kerala.

8. Mr. Ghulam Mohammad Lone along with other petitioners have filed a Writ Petition (OWP No. 1770 of 2018) before the Hon'ble High Court of Jammu and Kashmir titled Ghulam Mohammad Lone and others v. Union of India and Others. REC is one of the respondents in the case. Rural Electrification Transmission Projects Corporation Limited and Power Grid Corporation of India (respondents in the case) are executing the project relating to installation of towers and overhead 440 KV DC transmission lines. The proposed transmission lines are being carried out through Jammu and Kashmir forests and wildlife area, state land and private propriety lands. The petitioners allege that with the execution of such project their landed property has been rendered useless to the extent that no construction can be undertaken within the affected area of the corridor and that they will not be able to enjoy the usufructs of the well-established orchids through which transmission lines are being installed. The petitioners therefore pray that a fair compensation should be paid to them as per the market value according to the provisions of law and to resettle and rehabilitate some of the petitioners because of serious health concerns and side effects of electric and magnetic fields. The matter is pending for adjudication before Hon'ble High Court of Jammu and Kashmir.

9. REC along with other lenders have filed an application against Corporate Power Limited ("**CPL**") and others, (O.A. No. 705 of 2016) before the DRT, Kolkata seeking repayment of outstanding loan amount of ₹ 1,169.77 crore along with interest and costs out of a total sanctioned term loan of ₹ 846 crore. The said term loan was extended to CPL under a consortium lending for the purpose of setting up of Phase I of 1080 MW coal based power plant at Chandwa village, Lather district, Jharkhand. The matter is pending for adjudication before the DRT, Kolkata.

10. REC has filed an application against JAS Infrastructure & Power Limited ("**JAS**") and others, (O.A. No. 608 of 2016) before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 49.20 crore along with interest and costs out of a total sanctioned term loan of ₹ 1,150 Crore. The said term loan was extended to JAS under a consortium lending for the purpose of construction, development and implementation of 2X660 MW coal based captive thermal power plant with super critical parameter at Siriya village, Banka district, Bihar. The matter is pending for adjudication before the DRT, New Delhi.

11. Power Finance Corporation Limited acting as our lead agent have filed an application against Mukul S. Kasliwal and others, (O.A. No. 648 of 2016) before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 541.20 crore along with interest and costs out of a total sanctioned term loan of ₹ 250 Crore. The said term loan was extended to Shree Maheshwar Hydel Power Corporation Limited along with other lenders for the purpose of setting up of 10X40 MW Maheshwar Hydro Electric Project at Mandleshwar, Khargone district, Madhya Pradesh. The matter is pending for adjudication before the DRT, New Delhi.

12. REC has filed an application against FACOR Power Limited ("**FACOR**") and others, (O.A. No. 146 of 2017) before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 710.43 crore along with interest and costs out of a total sanctioned term loan of ₹ 517.90 crore. The said term loan was extended to FACOR for the purpose of developing, owning, designing, financing, constructing, commissioning, operating and maintain the 45MW coal based captive thermal power project at Randia, district Bhadrak, Odisha. The matter is pending for adjudication before the DRT, New Delhi. REC also issued notice to FACOR under Section 13(4) of the SARFAESI Act. Aggrieved by our notice a securitization application (S.A. No. 340 of 2017) was filed under section 17 of the SARFAESI Act. The said application is also pending for adjudication before DRT, New Delhi.

13. REC has filed an application against Essar Power M P Limited ("**EPMPL**") and others (O.A no. 993 of 2018) before the DRT, New Delhi seeking repayment of an outstanding rupee facility amount of ₹ 2,169.48 crore along with interest and costs. REC had extended the said rupee facility to EPMPL for the purpose of setting

up of 1200 MW pit head coal based thermal power project at Sidhi District of Madhya Pradesh. The matter is pending for adjudication before the DRT, New Delhi.

14. REC along with other consortium lenders has filed an application against Lanco Vidarbha Thermal Power Limited ("**LVTPL**") and others, (O.A. No. 1048 of 2018) before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 684.28 crore along with interest and costs out of a total sanctioned term loan of ₹ 1,128 Crore. The said term loan was extended to LVTPL under a consortium lending for the purpose of setting up of 1320 MW coal based thermal power project at Mandva, Wardha district, Maharashtra. The matter is pending for adjudication before the DRT, New Delhi.

15. IDBI Bank Limited and others have filed an application against Konaseema Gas Power Limited ("**KGPL**") and others (O.A. No. 339 of 2018) before the DRT, Hyderabad seeking repayment of their outstanding loan amount. REC was one of the consortium lenders having sanctioned a total term loan amount of ₹ 262 crore. In the OA no. 339 of 2018 filed by IDBI Bank Limited and others, REC was made a pro forma party and as such no relief was claimed from us. We filed a transposition application (IA No. 2837/2018 and IA No. 2955/2018) before the DRT, Hyderabad praying to transpose us from defendant in the case to applicant in the case. The said transposition application was allowed by DRT, Hyderabad dated July 3, 2019. The application (O.A. No. 339 of 2018) is pending for adjudication before DRT, Hyderabad.

16. REC has filed an application against Lanco Babandh Power Limited ("**LBPL**") and others, (O.A. No. 345 of 2019) before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 1549.80 crore along with interest and costs out of a total sanctioned term loan of ₹ 1,505 crore. The said loan was extended to LBPL for the purpose of setting up of 320MW coal based power project at village Kurunti, district Dhenkanal, Odisha. The matter is pending for adjudication before the DRT, New Delhi.

17. Power Finance Corporation Limited acting as our lead agent have filed an application against M/s. Lanco Amarkantak Power Limited & Ors. ("**LAPL**"), before the DRT, New Delhi seeking repayment of outstanding loan amount of ₹ 2,891.88 crore along with interest and costs. The said loan was extended to LAPL along with other lenders for the purpose of setting up of various units of its thermal power project at village Pathadi, district Korba, Chattisgarh. The matter is pending for adjudication before the DRT, New Delhi.

18. Punjab National Bank has filed an application before DRT, Hyderabad against Meenakshi Energy Limited (OA No. 514 of 2019) claiming a relief of ₹ 139.73 crore. REC is a defendant in the said matter and has accordingly received summons from the tribunal. We are yet to receive the paper-book of the application and the written statements will be filed after the receipt of the same. The matter is pending for adjudication before the DRT, Hyderabad.

19. Punjab National Bank has filed an application before DRT, Hyderabad against KSK Mahanadi Power Company Limited (OA No. 458 of 2019) claiming a relief of ₹ 916.31 crore. REC is a defendant in the said matter and has accordingly received summons from the tribunal. We are yet to receive the paper-book of the application and the written statements will be filed after receipt of the same. The matter is pending for adjudication before the DRT, Hyderabad.

20. REC has initiated IBC proceedings against Ferro Alloys Corporation Limited (C.P. (IB) No. 251/KB/2017) before the NCLT, Kolkata seeking the initiation of corporate insolvency resolution process under section 7 of the Insolvency and Bankruptcy Code 2016. The matter was admitted and a moratorium period was declared by the NCLT vide its order dated July 6, 2017. An appeal was preferred by Ferro Alloys Corporation Limited (Company Appeal (AT) (Insolvency) No. 92 of 2017) before the NCLAT, New Delhi challenging the NCLT, Kolkata order dated July 6, 2017. The said appeal was dismissed by NCLAT dated January 8, 2019. The NCLAT order dismissing the appeal was thereafter challenged before the Supreme Court of India, which also got dismissed. The matter is now transferred to the NCLT, Cuttack bench and is pending adjudication.

21. REC sanctioned ₹ 390 Crore to Lanco Teesta Hydro Power Limited ("**LTHPL**") with ICICI Bank as lead lender. ICICI Bank has initiated IBC proceedings against LTHPL (C.P. No. 117/7/HDB/2018) before the NCLT, Hyderabad seeking the initiation of corporate insolvency resolution process under section 7 of the Insolvency and Bankruptcy Code 2016. The said proceedings were admitted by the NCLT, Hyderabad and a moratorium was declared vide its order dated on March 16, 2018. REC have submitted its claim amounting to ₹ 359.96 crore before the resolution professional. COC approved the resolution plan submitted by National Hydro Power Corporation Limited. Resolution professional has filed the resolution plan for approval of NCLT and the same is pending for NCLT's approval.

22. A financial creditor of LBPL initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016, against LBPL. REC, upon receiving a notice of the same, has filed a claim of ₹ 1,470.5 crore before the resolution professional. The matter is currently pending.

23. A financial creditor of Ind Barath Power (Madras) Limited ("**IBPML**") initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016 against IBPML. REC, upon receiving a notice of the same, has filed a claim of ₹ 649.05 crore before the resolution professional. The matter is currently pending.

24. A financial creditor of Ind Barath Energy (Utkal) Limited ("**IBEUL**") initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016 against IBEUL. REC, upon receiving a notice of the same, has filed a claim of ₹ 1,147.60 crore before the resolution professional. The matter is currently pending.

25. A financial creditor of KGPL initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016 against KGPL. REC, upon receiving a notice of the same, has filed a claim of ₹ 672.30 crore before the resolution professional. The matter is currently pending.

26. A financial creditor of Jhabua Power Limited ("**JPL**") initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016 against JPL. REC, upon receiving a notice of the same, has filed a claim of ₹ 417.80 crore before the resolution professional. The matter is currently pending.

27. A financial creditor of Amrit Jal Ventures Private Limited ("**AJVPL**") initiated a corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code 2016 against AJVPL. REC, upon receiving a notice of the same, has filed a claim of ₹ 4.62 crore before the resolution professional. Further, REC has also filed claim of ₹ 212.83 crore in respect of corporate guarantee executed by AJVPL for financial assistance granted to GATI Infrastructure Limited. The matter is currently pending.

28. REC has filed five different claims in the corporate insolvency resolution process instituted under the provisions of the Insolvency and Bankruptcy Code 2016 by financial creditors of Lanco Thermal Power Limited ("**LTPL**"). Such claims relates to various securities executed by LTPL. The matter is currently pending.

29. REC sanctioned a term loan of ₹ 1,880 Crore to R.K.M. Powergen Private Limited ("**RKMPPL**") under a consortium lending for setting up of a 1440 MW coal based mega power plant at Janjgir Champa district, Chhatisgarh. RKMPPL's account was classified as Non-Performing Asset ("**NPA**") by Power Finance Corporation Limited. RKMPPL challenged the decision of classifying its account as NPA before the Hon'ble High Court of Madras (W.P. 27159 of 2015) and have obtained an ad-interim order from the court on September 18, 2015, directing the respondents not to classify the account as NPA. An application has been filed by REC for vacation of stay order issued by Hon'ble High Court of Madras. The matter is pending for adjudication before the Hon'ble High Court of Madras.

iii. *Tax Litigations*

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (in crore)
1.	Direct Tax	16	129.09
2.	Indirect Tax	1	0.35
	Total	17	129.44

**Provided that for the purpose of disclosure of material civil cases for REC, we have considered 1% of PAT of REC for Fiscal 2019 i.e.57.64 crore considering that REC is a material subsidiary of our Company.*

III. Outstanding litigations involving our Directors

a. Litigation against our Directors

i. Criminal Proceedings

There are no pending criminal proceedings against our Directors.

ii. Material Civil Cases

There are no pending Material Civil Cases against our Directors.

iii.Tax Litigations
There are no pending tax litigations against our Directors.

b. Litigation filed by our Directors

i. Criminal Proceedings

There are no pending criminal proceedings by our Directors.

ii. Material Civil Cases

There are no pending Material Civil Cases by our Directors.

IV. Outstanding litigations involving our Promoter and Group Companies

Since our Promoter is the Government of India acting through and represented by Ministry of Power, GoI, no litigations can be disclosed involving the Promoter. Further, the requirement of disclosing details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter, is also not applicable. Further, the Company does not have any Group Companies.

V. Adverse findings against our Company as regards compliance with the securities laws

There are no adverse findings against our Company as regards compliance with the securities laws.

VI. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

VII. Material frauds committed against our Company

There has been no material fraud conducted against us in the last five years immediately preceding the date of this Draft Shelf Prospectus except as disclosed below:

1. PFC had sanctioned Term Loan for consortium lending facility to Ind Barath Power (Madras) Limited **("IBPML")** for developing 660 MW Coal based Thermal Project in Tuticorin District, Tamil Nadu. Our Company is the Lender's Agent and Security Agent under the consortium. The project was declared as Non-Performing Asset by our Company. The matter was reported to RBI and Law Enforcement Agencies including EOW. The matter was later on transferred to CBI for further investigation. Meanwhile, Forensic Audit was also conducted by the Lenders and it was reported thereunder that there are instances of mis-utilisation of project funds by the borrower to meet the shortfall in cash flows of its other group companies. Further, some part of the project funds were paid by the borrower company to some of the project contractors as advances which were also reported to have been diverted to group companies through the creation of fixed deposits. Further, IBC proceedings for initiation of CIRP against IBPML was also initiated. However, no viable plan was finalized to the acceptance of the committee of creditors till the expiry of CIRP period on October 11, 2018. Subsequently, the resolution professional filed a petition in the NCLT for liquidation of the company which was thereafter approved by NCLT. PFC has filed its claim with the liquidator and the liquidation proceeding have commenced.

2. PFC sanctioned a term loan to Konasema Gas Power Limited **("KGPL")** under consortium lending facility with IDBI Bank Limited as the Lead Lender. The project has been classified as 'Doubtful Asset' by PFC. In the forensic audit report, instances were reported regarding fraudulent encashment, diversion of funds and manipulation of books of accounts and conversion of property. The matter was duly reported to RB1 for alleged fraud. IDBI Bank Limited has filed complaint with CBI on August 5, 2019 on behalf of all the Lenders in the capacity of Lead Lender. Further, IBC proceedings for initiation of CIRP against KGPL had also been initiated

by IDBI Bank Limited to which PFC is also a Party. Details of the above are provided in the section *'Material Civil Cases'* filed by our Company.

3. PFC sanctioned a term loan to Jas Infrastructure & Power Limited **("JIPL")** under consortium lending facility with Axis Bank Limited. as the Lead Lender. Axis Bank subsequently transferred its loan to ACRE Limited. PFC has classified the loans as 'Loss Asset'. In the forensic audit report, instances were reported regarding diversion and siphoning - off funds. The matter was duly reported to RBI for alleged fraud Subsequently, PFC has filed complaint with CBI in this matter on July 2, 2019. Further, PFC and other Lenders have taken various recovery actions including DRT and IBC proceedings, details of which are provided in the section *'Material Civil Cases'* filed by our Company.

VIII. Details of Inquiries, Inspection or Investigation under the Companies Act, 2013 or any previous Companies Law against our Company and our Subsidiaries

There has been no inquiry, inspections or investigations initiated or conducted against us under the Companies Act, 2013 or any previous companies law in the last five years immediately preceding the date of this Draft Shelf Prospectus against our Company except for an order under Section 234(1) of the Companies Act, 1956 issued to our Company by RoC:

1. Under Section 234 (1) of the Companies Act, 1956, the ROC issued an order on July 24, 2013 to our Company calling for information / explanation on certain issues pertaining to our financial statements for FY 2007-08 to 2011-12, where the RoC had observed that our Company had prima facie contravened certain provisions of the Companies Act, 1956 read with Accounting Standards which include, *inter alia*, the accounts of our Company not being prepared on an accrual basis, incomplete disclosures in the balance sheet, overstatement of profit, classification of doubtful debts as good, not reflecting true and fair view, non-compliance with ICAI suggestions on creation of deferred tax liability on special reserve for the period 2001-02 to 2003-04 by charging the profit and loss account and crediting the reserve. In addition, the RoC had asked our Company to furnish certain documents/details including details of the issue on infrastructure bonds including the objects of raising such funds, utilization of funds raised through the issue, unutilized amount and where such utilized amounts been invested, among others.

2. Our Company gave a detailed reply on August 30, 2013 to RoC order, explaining with reasons and documents that there were no contraventions of the provisions of Companies Act, 1956 or Accounting Standards, nor there was any wilful misstatement, the classification of the assets as standard was in accordance with the prudential norms of our Company, non-creation of DTL on special reserve was in line with the letter dated June 2, 2009 of the Accounting Standard Board of the ICAI, etc. Further, the details of issues of infrastructure bonds were also furnished in our letter dated August 30, 2013. RoC, vide letter dated October 10, 2014 forwarded his comments to MoP on our reply / clarification, who in turn had asked for the comments of our Company, vide MoP letter dated October 31, 2014. Our company had furnished reply to MoP on December 12, 2014.The MoP, vide letter dated April 27, 2015 asked our Company to place the observations of the RoC before the Board of directors of our Company seeking directions with regard to further course of action. The Board had considered and ratified our Company's reply dated August 30, 2013 to the RoC order in their 334th meeting held on May 15, 2015. This was informed to MoP vide our company's letter dated June 2, 2015.Thereafter, we have not received any further query or communication in this matter from the office of RoC.

3. Additionally, in the above matter, our Company understands that the then directors of our Company (including Mr. Mukesh Kumar Goel, the erstwhile CMD, and Mr. Radhakrishnan Nagarajan, the erstwhile Director (Finance)) and our ex-Company Secretary also received separate order/ notice from RoC and that they have filed their individual replies with RoC.

MATERIAL DEVELOPMENTS

Except as mentioned in this Draft Shelf Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing this Draft Shelf Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue is being made pursuant to the resolutions passed by the Board on March 27, 2019 and September 20, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of the Company at the Annual General Meeting of the Company on August 19, 2016.

Eligibility to make the Issue

Our Company, the persons in control of our Company, our Directors or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Neither our Company nor our Directors is a Wilful Defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Consents

Consents in writing of the Directors, the Chief Financial Officer / Director (Finance), the Company Secretary and Compliance Officer of the Company, the Statutory Auditors, Bankers to the Company, Lead Managers, Registrar to the Issue, legal counsel to the Issue, Credit Rating Agencies, CARE Ratings Limited for the use of the reports titled (i) "*Power Sector Year – End FY19 Report*" dated March 29, 2019, and (ii) "*Energy Outlook – FY 20 Report*" dated May 27, 2019, and the Debenture Trustee, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC.

Our Company has appointed Beacon Trusteeship Limited as the Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment as Debenture Trustee to the Issue, pursuant to regulation 4(4) of the SEBI Debt Regulations and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus(es), and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed as Annexure B.

Expert Opinion

Except for the consent of (i) the Statutory Auditors dated September 20, 2019, to include their respective names as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013 in relation to their examination reports, each dated September 20, 2019, on Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP; and (ii) the Statutory Auditors in their report dated September 20, 2019, on the statement of tax benefits, included in this Draft Shelf Prospectus, our Company has not obtained any expert opinions in respect of the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI BANK LIMITED, JM FINANCIAL LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED AND IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI BANK LIMITED, JM FINANCIAL LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [•] DATED [•] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THE DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 10, 1998 BEARING REGISTRATION NO 14.00004 AND CERTIFICATE OF REGISTRATION DATED JULY 28, 2010

BEARING REGISTRATION NO B-14.00004 CLASSIFYING OUR COMPANY UNDER THE CATEGORY NBFC AND NBFC-ND-IFC. HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to investors from Category I, Category II, Category III and Category IV. This Draft Shelf Prospectus will not, however constitute an offer to sell or an invitation to subscribe to the NCDs offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession of this Draft Shelf Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Guarantee or Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Minimum Subscription

Under the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate prescribed under applicable laws.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of the Draft Shelf Prospectus

A copy of this Draft Shelf Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website and with SEBI.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Underwriting

This Issue shall not be underwritten.

Identification as Wilful Defaulter

None of our Company or any of our Directors have been identified as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI/ECGC or any other governmental authority nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Change in Auditors of our Company during the last three years

The following are the details of change in the auditors of our Company during the last three years:

S. No.	Financial Year	Name	Address	Date of Appointment/ Cessation	Auditor of the Company since (in case of Cessation)	Remark (if any)
1.	2019- 20	M/s Dass Gupta & Associates Chartered Accountants, ICAI Firm Registration: 000112N	NDG Center, B-4, Gulmohar Park, New Delhi 110049	August 1, 2019	-	Appointed by the CAG.
2.	2018- 19	M/s Gandhi Minocha & Co. Chartered Accountants, ICAI Firm Registration: 000458N	B-6, Shakti Nagar Extension, New Delhi – 110052	July 11, 2017	-	Appointed by the CAG.

S. No.	Financial Year	Name	Address	Date of Appointment/ Cessation	Auditor of the Company since (in case of Cessation)	Remark (if any)
3.	2018-19	M/s M.K. Aggarwal & Co., Chartered Accountants ICAI Firm Registration: 01411N	30, Nishat Kunj, Pitam Pura, New Delhi-110034	Ceased to be the statutory auditor w.e.f. AGM for Fiscal 2019 i.e. August 27, 2019.	Auditors are appointed by CAG for a financial year and first time M.K. Agarwal & Co. was appointed PFC's auditors on July 12, 2016	The CAG communicated the change of auditors vide letter dated July 12, 2016
4.	2017-18	M/s K.B. Chandna & Co., Chartered Accountants ICAI Firm Registration: 00862N	E-27, South Extension Part-II, New Delhi-110049	Ceased to be the statutory auditor w.e.f. date of AGM i.e. September 11, 2018	Appointed on July 29, 2013	The CAG communicated the change of auditors vide letter dated July 12, 2016

Revaluation of Assets

Our Company has not revalued its assets in the last five Fiscal Years.

Reservation

As specified in the relevant Tranche Prospectus.

Reservations or Qualifications or Adverse Remarks of Auditors

There have been no reservations of qualifications or adverse remarks of auditors in the last five Financial Years.

Statement by the Board of Directors

(i) All monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;
(ii) Details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
(iii) Details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested; and
(iv) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Track Record of Past Public Issues handled by the Lead Managers

The track record of past public issues handled by Trust Investment Advisors, A.K. Capital, Edelweiss, ICICI Bank, JM Financial and SBI Capital Markets Limited and are available at www.trustgroup.in, www.akgroup.co.in, www.edelweissfin.com, www.icicibank.com, www.jmfl.com and www.sbicaps.com, respectively.

Listing

The NCDs will be listed on NSE. NSE is the Designated Stock Exchange. NSE has given in-principle listing approval through their letter dated [●].

If the permission to list and trade the NCDs has not been granted by the Stock Exchange(s), our Company shall repay all such moneys received from the Applicant in pursuance of the Shelf Prospectus and relevant Tranche Prospectus in compliance with applicable law. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange(s) will be taken within six Working Days from the Issue Closing Date for the respective Tranche Issue.

Previous Issue

Except as stated in the sections titled "*Capital Structure*", and "*Financial Indebtedness*" on pages 39 and 144, respectively, our Company has not made any other issue of non-convertible debentures. The proceeds from the previous issuance of non-convertible debentures by the Company have been utilised, *inter alia*, to augment long-term resources of the Company for the purpose of carrying out its functions authorized under the object clause of the Memorandum of Association of the Company. Other than as specifically disclosed in this Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation of proceeds of previous issues by our Company

Since the initial public offering of our Company in 2007 and the further public offering in 2011, our Company has not made any public issues of any Equity Shares.

Details of utilization of proceeds of previous public issues of debentures by our Company are as follows:

4. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount upto ₹ 5,300.00 crore in February, 2011. The amount mobilised through this issue was ₹ 235.36 crore. These long term infrastructure bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on February 24, 2011 and closed on March 22, 2011. The date of allotment and the date of refund was March 31, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on April 11, 2011 on BSE.

   Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

5. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 200.00 crore with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 6,900.00 crore) in September 2011. The amount mobilised through this issue was ₹ 95.64 crore. These long term infrastructure bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on September 29, 2011 and closed on November 4, 2011. The date of allotment was November 21, 2011 and the date of refund was November 23, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on December 02, 2011 on BSE.

   Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

6. Our Company came out with a public issue of tax free bonds of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000.00 crore with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4,033.13 crore) in December, 2011. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on December 30, 2011 and closed on January 16, 2012. The date of allotment was February 1, 2012 and the date of refund was February 3, 2012. The tax free bonds offered pursuant to such issue were listed on February 14, 2012 on the BSE.

   Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

7. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000.00 crore with an option to retain an oversubscription up to the shelf limit (i.e. ₹ 4,590.00 crore) in December, 2012. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on December 14, 2012

and closed on December 27, 2012. The date of allotment was January 4, 2013 and the date of refund was January 7, 2013. The tax free bonds offered pursuant to such issue were listed on January 10, 2013 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

8. Our Company came out with a public issue of tax free bonds tranche - II of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription up to the residual shelf limit (i.e. ₹ 3,890.25 crore) in February, 2013. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on February 18, 2013 and closed on March 19, 2013. The date of allotment was March 28, 2013 and the date of refund was March 30, 2013. The tax free bonds offered pursuant to such issue were listed on April 03, 2013 on the BSE.

   Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

9. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription up to the residual shelf limit (i.e. ₹ 3,875.90 crore) in October 2013. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on October 14, 2013 and closed on November 5, 2013. The date of allotment was November 16, 2013 and the date of refund was November 16, 2013. The tax free bonds offered pursuant to such issue were listed on November 19, 2013 on the BSE.

   Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

10. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription up to the residual shelf limit (i.e. ₹ 600.00 crore) in September 2015. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on October 5, 2015 and closed on October 6, 2015. The date of allotment was October 17, 2015 and the date of refund was October 19, 2015. The tax free bonds offered pursuant to such issue were listed on October 20, 2015 on the BSE.

    Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

Other than certain public issuances of securities by REC Limited, our Subsidiary, there are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Shelf Prospectus.

Utilisation of proceeds by our Group Companies

Our Company does not have any Group Companies.

Our lending policies

For details in relation our lending policies, please see "*Our Business – Risk Management*" and "*Our Business – Project and Entity Appraisal Process*" on pages 92 and 97 of this draft shelf prospectus.

Loans advanced by the Company

A. ***Types of loans***

Type of loans/advances (principal outstanding) given by the Company as on March 31, 2019:

S. No	Type of loan	Amount (₹ in crore)*	Percentage (%)
1	Secured	2,56,741.51	81.59%
2	Unsecured	57,925.42	18.41%
	Total AUM	3,14,666.93	100.00%

Types of loans according to sectoral exposure as on March 31, 2019 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	Mortgages (home loans and loans against property)	N.A.
b	Gold loans	N.A.
c	Vehicle finance	N.A.
d	MFI	N.A.
e	M&SME	N.A.
f	Capital market funding (loans against shares, margin funding)	N.A.
h	Others	N.A.
2	**Wholesale**	
a	Infrastructure	N.A.
b	Real estate (including builder loans)	N.A.
c	Promoter funding	N.A.
d	Any other sector (as applicable)	N.A.
3	**Others**	
a	Generation	58.55%
b	Renewable	9.21%
c	Transmission & Distribution	22.65%
d	Short Term Loan	4.00%
	Others	5.59%
	Total	**100.00%**

Denomination of loans outstanding by ticket size as on March 31, 2019:

S. No	Ticket size (at the time of origination)*	Percentage of AUM
1.	Up to ₹ 2 Lakh	N.A.
2.	₹ 2-5 Lakh	N.A.
3.	₹ 5-10 Lakh	N.A.
4.	₹ 10-25 Lakh	N.A.
5.	₹ 25-50 Lakh	N.A.
6.	₹ 50 Lakh - 1 Crore	N.A.
7.	₹ 1-5 Crore	0.01%
8.	₹ 5-25 Crore	0.10%
9.	₹ 25-100 Crore	0.58%
10.	> ₹ 100 Crore	99.31%
	Total	**100.00%**

** The above information is provided at a borrower level and not on the basis of loan accounts*

Denomination of loans outstanding by LTV* as on March 31, 2019: Not applicable**

S. No	LTV	Percentage of AUM
1.	Up to 40%	-
2.	40-50%	-
3.	50-60%	-
4.	60-70%	-
5.	70-80%	-
6.	80-90%	-
7.	>90%	-
	Total	-

**LTV at the time of origination.*

*** Our Company's lending policy does not evaluate loans based on LTV, given the nature of wholesale lending that our Company provides. Consequently, calculation based on LTV is not applicable to our Company.*

Geographical classification of borrowers as on March 31, 2019:

S. No.	Top 5 states / region*	Percentage of AUM
1.	Rajasthan	10.69%

2.	Tamil Nadu	10.21%
3.	Telangana	10.00%
4.	Uttar Pradesh	9.53%
5.	Andhra Pradesh	8.99%
Total		49.42**%**

*Includes only state sector borrowers.

Further, for details in relation to loans given by the Company to associates, companies/entities/persons relating to Board, senior management, Promoter, or the other parties covered in the register maintained under Section 189 of the Companies Act, 2013, please refer to the section titled "*Financial Statements*" beginning on page 275.

B. ***Aggregated exposure to top 20 borrowers with respect to concentration of advances (principal amounts outstanding) as on March 31, 2019***

	Amount
Total Advances to twenty largest borrowers (in ₹ in crore)	1,88,278.20
Percentage of Advances to twenty largest borrowers to Total Advances **(**in %**)**	59.83%

C. ***Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019***

	Amount*
Total exposure to twenty largest borrowers / customers (in ₹ in crore)	2,61,087.34
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers **(**in %**)**	53.87%

D. ***Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines***

Movement of gross Stage-3 Assets*	**Amount (₹ in crore)****
(a) Opening balance	26,866.80
(b) Additions during Financial Year ended on March 31, 2019	3,793.33
(c) Reductions during Financial Year ended on March 31, 2019	(1,119.82)
(d) Closing balance	29,540.31

** In accordance with ECL Model*
***As per IND-AS balances.*

Movement of provisions for gross Stage-3 Assets (in accordance with ECL Model)	**Amount (₹ in crore)***
(a) Opening balance	14,241.22
(b) Provisions made during the Financial Year ended on March 31, 2019	1,823.55
(c) Write-off / write -back of excess provisions	(1,043.76)
(d) Closing balance	15,021.01

**As per IND-AS balances*

E. ***Segment – wise Gross Stage-3 Assets as on March 31, 2019***

S. No	**Segment- wise breakup of AUM**	**Percentage of AUM**
1	**Retail**	
a	-Mortgages (home loans and loans against property)	N.A.
b	-Gold loans	N.A.
c	- Vehicle finance	N.A.
d	-MFI	N.A.
e	-M&SME	N.A.
f	-Capital market funding (loans against shares, margin funding)	N.A.
h	-Others	N.A.
2	**Wholesale**	
a	-Infrastructure	N.A.
b	-Real estate (including builder loans)	N.A.
c	-Promoter funding	N.A.
d	-Any other sector (as applicable)	N.A.

S. No	Segment- wise breakup of AUM	Percentage of AUM
3	**Others**	
a	Generation	79.26%
b	Renewable	10.38%
c	Transmission & Distribution	9.14%
d	Short Term Loan	1.22%
	Total	**100.00%**

F. ***Classification of borrowings as on March 31, 2019 (outstanding principal amounts)***

S. No	Type of Borrowings	Amount (₹ in crore)*	Percentage
1	Secured	32,065.02	11.12%
2	Unsecured	2,56,362.77	88.88%
Total		**2,88,427.79**	**100.00%**

G. ***Promoter Shareholding***

Please refer to the chapter "*Capital Structure*" on page 39 for details with respect to Promoter shareholding in our Company as on date of this Draft Shelf Prospectus.

H. ***Maturity pattern of certain items of assets and liabilities on a standalone basis as on March 31, 2019***

(₹ in crore)

Bucket as at March 31, 2019	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Up to 30/31 Days	14,133.64	4,955.46	21,785.18	0.00	696.50
Over one month up to two months	1,833.07	1,928.13	4,915.00	0.00	0.00
Over two months up to three months	0.00	1,264.76	7,495.20	0.00	2,080.35
Over three months and up to six months	0.00	9,225.21	10,292.05	0.00	0.00
Over six month and up to one year	0.00	16,559.51	190,88.10	0.00	3,468.40
Over one year and up to three years	0.00	50,663.28	76,608.05	0.00	4,971.67
Over three years and up to five years	0.00	49,879.10	32,730.60	0.00	9,235.95
Over five years	0.00	1,65,146.63	87,160.38	23.84	8,373.99

I. Onward lending to borrowers forming part of the "group" as defined by RBI

There is no onward lending to borrowers forming part of the "group" as defined by RBI.

Mechanism for redressal of investor grievances

Karvy Fintech Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. Pursuant to the Registrar Agreement, our Company will provide for retention of records with the Registrar for a period of at least eight years from the last date of despatch of the letters of allotment, demat credit and refund credit to enable the investors to approach the Registrar for redressal of their grievances.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer of the Company giving full details of the Applicant, number of NCDs applied for, amount paid on application series or option applied for and Member of the Consortium or Trading Member or SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the Registrar to the Issue. The contact details of the Registrar to the Issue are as follows:

Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited)
Karvy Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telangana– 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Email: pfc.ncd@karvy.com
Investor Grievance Email: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: U72400TG2017PTC117649

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" and "*Issue Procedure*" on pages 223 and 236, respectively.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, 2013, the RBI Act, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Issuer	Power Finance Corporation Limited
Type of instrument	Secured redeemable non-convertible debentures
Nature of instrument / Seniority	Secured redeemable non-convertible debentures
Mode of issue	Public issue
Eligible Investors	See the section titled "*Issue Procedure*" on page 236
Listing	The NCDs shall be listed on the Stock Exchange(s) within six Working Days from the Issue Closing Date.
Rating of the instrument	'CARE AAA; Stable' by CARE; 'CRISIL AAA / Stable' by CRISIL; and '[ICRA]AAA(Stable)' by ICRA.
Issue size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain oversubscription	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	See the section titled "*Objects of the Issue*" on page 55.
Details of utilization of proceeds	See the section titled "*Objects of the Issue*" on page 55.
Coupon rate	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up or step down coupon rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment dates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated or prescribed under applicable laws.
Day count basis	Actual / Actual.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Dates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Premium or Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Put Date or Put Price or Call Date or Call Price or Put	As specified in the relevant Tranche Prospectus for each Tranche Issue.

Notification Time or Call Notification Time	
Face Value (in ₹)	₹ 1,000 per NCD.
Minimum application size and in multiples of debt securities thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Timing **1. Issue Opening Date** **2. Issue Closing Date** **3. Pay-in Date**	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Authorized Officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Issuance mode of the instrument	Dematerialised form only.
Trading	In dematerialised form only.
Settlement	See the section titled "*Terms of the Issue*" on page 223.
Depositories	NSDL and CDSL.
Business day convention/ Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post Issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016. If the interest payment date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such interest payment date were a Working Day. Further, the future interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. If Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/ redemption payments shall be made only on the subsequent day when the money market is functioning in Mumbai.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Security	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest accrued on the NCDs shall be secured by way of first *pari passu*

	charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company).
Transaction documents	Transaction documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue and any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trust Deed, Debenture Trust Agreement, Public Issue Account Agreement, Consortium Agreement and Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection"* on page 270.
Conditions Precedent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions precedents to disbursement.
Conditions Subsequent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions subsequent to disbursement.
Events of default	Please see the section titled "*Issue Structure"* on page 220.
Cross default provisions	In accordance with the Debenture Trust Deed.
Roles and responsibility of the Debenture Trustee	Please see the section titled "*Terms of the Issue*" on page 223.
Governing law and jurisdiction	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in New Delhi.
Security cover	100% of the outstanding NCDs and the interest thereon at any point of time.

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

***The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. IST, during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board. In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given, on or before such earlier date or initial date of closure. Applications Forms for the Issue will be accepted only from 10.00 a.m. till 5.00 p.m. IST or such extended time as may be permitted by the Stock Exchange(s), on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. IST and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange(s).*

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

Please see "Issue Procedure" on page 236 for details of category wise eligibility and allotment in the Issue.

Participation by any of the investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see section titled "*Issue Procedure*" on page 236.

TERMS OF THE ISSUE

Authority for the Issue

The Issue is being made pursuant to the resolutions passed by the Board on March 27, 2019 and September 20, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013, duly approved by the shareholders of the Company at the Annual General Meeting of the Company on August 19, 2016.

Specific Terms of the NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Ranking of NCDs

The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the existing secured creditors on the book debts or receivables, other than those on which a specific charge has already been created by the Company, adequate to ensure 100% (One Hundred per cent.) asset cover for the NCDs and interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

The Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. The Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents, except from UCO Bank, Canara Bank and Bank of India. We will file the Shelf Prospectus and the relevant Tranche Prospectus only upon obtaining the consent of UCO Bank, Canara Bank and Bank of India.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders any rights or privileges available to our Company's members or shareholders including, without limitation, the right to receive notices and/or attend and/or vote at any general meeting of our Company's members or shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members or shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, NCD Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory or regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the NCD Holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory or regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holders shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, Corrigendum, if any, addendum, if any, the Application

Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation of the NCDs ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of NCD Holders in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.

6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be in accordance with the terms of the Transaction Documents and the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

E. in deposits with any scheduled bank, free from any charge or lien
F. in unencumbered securities of the Central Government or any State Government;
G. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
H. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Nomination Facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 and Rule 19 of the SCD Rules ("**Rule 19**"), the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No.**

SH.13, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. On the receipt of the said nomination as per prescribed law a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the NCD Holder's death during minority. A nomination may be cancelled or varied by nominating any other person in place of the preset nominee, by the NCD Holder who has made the nomination by giving a notice of such cancellation or variation in **Form No. SH.14**. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received. A nomination will stand rescinded on a sale or transfer or alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

The request for nomination should be recorded by the Company within a period of 2 months from the date of receipt of the duly filled and signed nomination form. In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as the NCD Holder; or

(b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form. Applicants holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Taxation

Pursuant to clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, pursuant to the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus and the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.]

Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue, amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Coupon Payment Date. The dates of the future interest payments would be in accordance with the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

If the Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCDs in accordance with the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us or Registrar to the Company (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the Coupon Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details please see the section titled "*Terms of the Issue*" on page 223.

Maturity and Redemption

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Deemed Date of Allotment

The date on which the Authorized Officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus for each Tranche Issue, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount paid on application to the applicant in accordance with the terms of this Draft Shelf Prospectus and the relevant Tranche Prospectus.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

Manner of Payment of Interest or Refund or Redemption Amount*

The manner of payment of interest or refund or redemption amount in connection with the NCDs is set out below*:

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest or refund or redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant's sole risk, and neither the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For NCDs held in physical form pursuant to rematerialisation:

For NCDs held in physical form on account of rematerialisation, the bank details, for payment of interest or redemption as the case may be, will be obtained from the documents submitted to our Company / the Registrar to the Issue along with the rematerialisation request. . Please refer to "*Procedure for Rematerialization of NCDs*" on page 234 of this Draft Shelf Prospectus for further details.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 10,00,375.23 then the amount shall be rounded off to ₹ 10,00,375 and if the redemption amount is ₹ 10,00,375.67 then the amount shall be rounded off to ₹ 10,00,376.*

The mode of interest or refund or redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment or refund or redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment or refund or redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post / Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment or refund or redemption orders shall be dispatched through Registered post / Speed post at the Investor's sole risk, only to Applicants that have provided details of a registered address in India.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed or available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest or refund or redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest or Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders or warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form, on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company or Registrar to the Issue at least 7 days prior to the Record Date failing which the orders or warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company through post.

Bank account particulars will be printed on the orders or warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held under different options, as specified in the relevant Tranche Prospectus for each Tranche Issue, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates denominated in the Market Lot. In case of NCDs held under different options, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each option.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

It is however distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in demat form.

Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder or all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques or pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 (thirty) days from the date of receipt of the duly discharged NCD certificate. These NCDs will be simultaneously extinguished to the extent of amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on part of the NCD Holders.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us / Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the Redemption Date, redemption proceeds would be paid by cheque or pay order or electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be in accordance with the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment or redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 10,00,375.23 then the amount shall be rounded off to ₹ 10,00,375 and if the redemption amount is ₹ 10,00,375.67 then the amount shall be rounded off to ₹ 10,00,376.*

Redemption Date

As specified under the relevant Tranche Prospectus for each Tranche Issue.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer or Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. In respect of the NCDs held in physical form on account of to rematerialization, a common form of transfer shall be used for the same. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL or CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure*" on page 220 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which have come into effect from April 1, 2019, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders,

  shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder;

2. Proof that the non-resident Indian is an Indian national or is of Indian origin; and

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of duplicate NCD Certificate(s)

If NCD certificate(s) is or are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity or security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest accrued on the NCDs shall be secured by way of first *pari passu* charge through the hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), more particularly as detailed in the section titled "*Issue Structure*" on page 220.

Our Company intends to enter into an indenture / deed with the Debenture Trustee, ("**Debenture Trust Deed"**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed on or prior to the Deemed date of Allotment. and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Stock Exchange. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the Debt Regulations, our Company shall also pay interest of at least 2% (two per cent.) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant Redemption Date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed Beacon Trusteeship Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s).

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Procedure for Rematerialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Loan Against NCDs

Pursuant to the RBI circular dated June 27, 2013, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Lien

The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holders or deposits held in the account of the NCD Holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD Holders to the Company, subject to applicable law.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, excluding the assets exclusively charged , provided the stipulated security cover is maintained.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular regarding Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of Holidays on Payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Coupon Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for Guidance in respect of the Day Count Convention and Effect of Holidays on Payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in the relevant Tranche Prospectus for each Tranche Issue.

Payment of Interest

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded or unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, "*Issue Procedure - Rejection of Applications*" on page 251.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018 ***("Debt ASBA Circular")****, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.*

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Issue Documents.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular") as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("Debt ASBA Circular"). The procedure mentioned in this section is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchange(s) and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange(s) and the Stock Exchange(s) has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange(s). Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

The information below is given for the benefit of the investors. Our Company and the Members of the Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I – Institutional Investors

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹ 2,500 Lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds registered with SEBI, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 50,000 Lakh in accordance with the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II – Non Institutional Investors

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies or corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public or private charitable or religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended;
- Association of persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III - High Net Worth Individual Investors

- High Net-worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all series of NCDs in a Tranche Issue.

Category IV – Retail Individual Investors

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all series of NCDs in a Tranche Issue.

Please note that it is clarified that person(s) resident outside India shall not be entitled to participate in the Issue and any Application(s) from such persons are liable to be rejected. Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

The information below is given for the benefit of Applicants. Our Company, Members of the Consortium and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for Applicants who are persons resident in India.

Physical copies of the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue together with Application Forms, and Abridged Prospectus containing the salient features of the Shelf Prospectus, may be obtained from (i) our Company's Registered and Corporate Office, (ii) the office of the Lead Managers, (iii) offices of the brokers, (iii) the office of the Registrar to the Issue, (v) Designated RTA Locations for RTAs, (vi) Designated CDP Locations for CDPs, and (vii) the Designated Branches of the SCSBs. Additionally, this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and the Application Forms will be available:

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.trustgroup.in, www.akgroup.co.in, www.edelweissfin.com, www.icicibank.com, www.jmfl.com and www.sbicaps.com.

(ii) at the Designated Branches of the SCSBs and at the Specified Locations of the Members of the Syndicate.

Electronic Application Forms will also be available on the website of the Stock Exchange and on the website of SCSBs that permit submission of Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Designated Intermediaries of the Stock Exchange at their request.

Method of Application

In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI had mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, *i.e*. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

For Applicants who submit the Application Form in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue and their respective directors and officers, shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the Stock Exchange.

Application Size

As specified in the relevant Tranche Prospectus for each Tranche Issue.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 ("**SEBI Circular 2017**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 15% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. Further, the group level limits for debt schemes and the ceiling be fixed at 20% of net assets value extendable to 25% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investment; (iv) the certificate of registration from the RBI; and (v) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) IRDAI registration certificate, and (v) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by 'Alternative Investment Funds' eligible to invest in accordance with the SEBI AIF Regulations for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than Rs. 50,000 lakh as per the last audited financial statement can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association or charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; (iv) specimen signatures of authorised signatories; (v) certificate of registration issued by the RBI; (vi) last audited financial statements; (vii) net worth certificate from the statutory auditor.

Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II, Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act or rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory or regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund or trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) incorporation/ registration under any Act/Rules under which they are incorporated/registered, (ii) the trust deed in respect of the fund, if any, (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

Applications cannot be made by:

a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor applicant and the name of the guardian);

b) Foreign nationals;

c) Persons resident outside India;

d) Foreign Institutional Investors;

e) Foreign Portfolio Investors;

f) Non Resident Indians;

g) Qualified Foreign Investors;

h) Overseas Corporate Bodies**;

i) Foreign Venture Capital Funds; and

j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Tranche Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and the Tranche Prospectus with ROC

A copy of the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus for each Tranche Issue and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

(g) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(h) Applicants must ensure that their Application Forms are made in a single name.

(i) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(j) Applicant should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

(k) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(l) Applications for all the options of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his

Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus, the Shelf Prospectus or the relevant Tranche Prospectus for each Tranche Issue; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day until 1:00 PM after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply in accordance with the terms of this Draft Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where 'PQR' is the name of the Karta;

- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

- Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address in accordance with the Demographic Details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;

- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;

- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the option of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order or by stockinvest;
- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, please see the section titled "*Issue Procedure*" on page 236.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

Additional or Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Tranche Issue for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple

Applications by the same individual Applicant aggregating to a value exceeding Rs. 10 lacs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated April 25, 2006, and May 16, 2006, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.

(vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.

(vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue in accordance with the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure"* on page 236.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer of the Company or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account, etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice or non-credit of NCDs in depository's beneficiary account, etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

An Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 (five) ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian (except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stockinvest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;

- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;

- GIR number mentioned in the Application Form instead of PAN;

- Application by OCBs;

- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;

- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;

- Applications by any persons outside India;

- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;

- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;

- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;

- Applications for an amount below the minimum Application size;

- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

- Applications not uploaded on the terminals of the Stock Exchange;

- Applications providing an inoperative demat account number;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;

- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;

- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;

- Application Forms not delivered by the Applicant within the time prescribed in accordance with the Application Form and in accordance with the instructions in the Application Form, this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue;

- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the

Application Form;

- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

- SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues; and

- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Further, in the event of such non-convertible bonds issued not being listed within 15 days of investment or issuance for any reason, the RFPIs are required to immediately dispose of those non- convertible bonds either by way of sale to a third party or to the issuer and the Company shall immediately redeem/ buyback those securities from the RFPIs in such an eventuality.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

(i) **Direct Credit**: Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

(ii) **NACH**: Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

(iii) **NEFT:** Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(iv) **RTGS**: If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

(v) **Registered Post / Speed Post**: For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All the cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by post or email at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

(i) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;

(ii) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;

(iii) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within six Working days from the Issue Closing Date, for the delay beyond 6 Working days in case of non-receipt of minimum subscription; and

(iv) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

Basis of Allotment

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Allocation Ratio

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date by submitting a request for the same to Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of

Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this Issue have been given.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked or credited only to the bank account in or from which the subscription was blocked or remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Revision of Applications

Pursuant to the notice no: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise or modify their Application details during the Issue Period, as allowed or permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange in accordance with the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify or verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds in accordance with applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded/unblocked within six Working days from the closure of the respective Tranche Issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate prescribed under applicable law.

- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

- Details of all unutilised monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; (d) execution of the Debenture Trust Deed; and (e) obtaining listing and trading approval from the Stock Exchanges as stated in this Draft Shelf Prospectus/ Shelf Prospectus and relevant Tranche Prospectus.

- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

- Proceeds of this Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Listing

The NCDs proposed to be offered in pursuance of this Draft Shelf Prospectus, Shelf Prospectus, and the relevant Tranche Prospectus will be listed on the NSE. Our Company has received an 'in-principle' approval from NSE by way of its letter dated [●], 2019. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus, Shelf Prospectus, and the relevant Tranche Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days from the Issue Closing Date for the respective Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such NCDs with series shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

We undertake that:

a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date;

c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;

d) the funds required for dispatch of allotment advice/ certificates by post shall be made available to the Registrar to the Issue by our Company;

e) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

f) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

g) we shall disclose the complete name and address of the Debenture Trustee in our annual report and website;

h) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Draft Shelf Prospectus, the Shelf Prospectus and each Tranche Prospectus; and

i) we shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

*The main provisions of the Articles of Association ("**AOA**") relating to allotment of NCDs and matters incidental hereto have been set out below. Please note that each provision herein below is numbered in accordance with the corresponding provision in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contended in the AOA.*

		SHARE CAPITAL AND VARIATION OF RIGHTS
		Shares under control of Board
3.		Subject to provisions of the Act and these Articles, the shares in the capital of our Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as it may from time to time think fit.
		Directors may allot shares otherwise than for cash
4.		Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of our Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to our Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
		Kinds of Share Capital
5.		The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital.
		Issue of certificate
6.	(1)	Every person whose name is entered as a member in the register of members shall be entitled to receive Certificate within a period not exceeding two months after allotment or within a period not exceeding one month from the date of receipt by our Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide.
		Certificate to bear seal
	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid- up thereon.
		One certificate for shares held jointly
	(3)	In respect of any share or shares held jointly by several persons, our Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
		Option to receive share certificate or hold shares with depository

7.		Subject to the provisions of the Act and the Rules, a person subscribing to shares offered by our Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, our Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
		Issue of new certificate in place of one defaced, lost or destroyed
8.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of our Company and on execution of such indemnity as our Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee.
		Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.
9.		The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act and/ or Rules otherwise requires) of the Company.
		Variation of members' rights
11	(1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not our Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
		Issue of further shares not to affect rights of existing members
12.		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
		Power to issue or re-issue redeemable preference shares
13.		Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and Rules.
		Further issue of share capital
14.	(1)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
	(2)	**Mode of further issue of shares:**

		A further issue of shares may in any manner whatsoever as the Board may determine including by way of preferential offer, subject to and in accordance with the Act and the Rules.
Lien		
		Company's lien on shares
15.	(1)	The Company shall have a first and paramount lien – (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
		Lien to extend to dividends, etc.
	(2)	The Company's lien, if any, on a share shall extend to all dividends, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
		Waiver of lien in case of Registration
	(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of our Company's lien.
		As to enforcing lien by sale
16.		The Company may sell, in such manner as the Board thinks fit, any shares on which our Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
		Outsider's lien not to affect Company's lien
19.		In exercising its lien, our Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
Calls on shares		
		Board may make calls
21.	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
		Notice of call
	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
		Board may extend time for Payment

	(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
		Revocation or postponement of Call
	(4)	A call may be revoked or postponed at the discretion of the Board.
		Call to take effect from date of Resolution
22.		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
		Liability of joint holders of Shares
23.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
		When interest on call or instalment payable
24.	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "**due date**"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
		Board may waive interest
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
		Payment in anticipation of calls may carry interest
26.		The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
		Instalments on shares to be duly paid
27.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to our Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
		Calls on shares of same class to be on uniform basis
28.		All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
		Partial payment not to preclude forfeiture
29.		Neither a judgment nor a decree in favour of our Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by our Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by our Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

		Provisions as to calls to apply mutatis mutandis to debentures, etc.
30.		The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.
Transfer of shares		
		Instrument of transfer to be executed by transferor and transferee
31.	(1)	The instrument of transfer of any share in our Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
		Board may decline to recognise instrument of transfer
33.		In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
		Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.
35.		The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
Transmission of shares		
		Title to shares on death of a member
37.	(1)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by our Company as having any title to his interest in the shares.
		Estate of deceased member Liable
	(2)	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
		Transmission Clause
38.	(1)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either - (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.
		Board's right unaffected
	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
		Indemnity to the Company

	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
		Right to election of holder of Share
39.	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects.
		Limitations applicable to notice
	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
		Forfeiture of shares
		If call or instalment not paid notice must be given
42		If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by our Company by reason of non-payment.
		Entry of forfeiture in register of Members
46.		When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
		Effect of forfeiture
47.		The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
		Certificate of forfeiture
50.	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in our Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
		Title of purchaser and transferee of forfeited shares
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
		Transferee to be registered as holder
	(3)	The transferee shall thereupon be registered as the holder of the share; and
		Transferee not affected

	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
		Validity of sales
51.		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
		Cancellation of share certificate in respect of forfeited shares
52.		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by our Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
		Sums deemed to be calls
54.		The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Alteration of capital		
		Power to alter share capital
56.		Subject to the provisions of the Act, our Company may, by ordinary resolution - (a) increase the share capital by such sum to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
		(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
		Shares may be converted into stock
57.		Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
		Right of stockholders

		(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of our Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of these Articles of our Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/”member” shall include “stock” and “stock-holder” respectively.
		Reduction of capital
58.		The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.
Capitalisation of profits		
		Capitalisation
60.		The Company by resolution passed in general meeting may, upon the recommendation of the Board, resolve- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of our Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
		Powers of the Board for capitalisation
61.	(1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall - (a) make all appropriations and applications of the amounts resolved to be capitalised hereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto.
		Board’s power to issue fractional certificate/coupon etc.
	(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with our Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by our Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
		Agreement binding on members
	(3)	Any agreement made under such authority shall be effective and binding on such members.
Buy-back of shares or other securities		
		Buy-back of shares or other securities
62.		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, our Company may purchase its own shares or other securities.
General meetings		
		Annual General Meeting

63.	(1)	The Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting. The Annual General Meeting of our Company shall be held within the period specified in the Act after the expiry of each financial year. The notice calling the general meeting shall specify it as Annual General Meeting.
		Board to call extraordinary general meeting
	(3)	The Board may whenever it thinks fit, and it shall when so required by the President or on the requisition in writing or through electronic mode by the holders of not less than one tenth of the paid up share capital of the company, upon which all calls or other sums then due have been paid and as at that date carries the right of
		voting in the matter, forthwith proceed to convene an extraordinary general meeting of the company in accordance with the provisions of the Act and Rules.
		Notice of Meeting
	(4)	The general meeting of our Company shall be called by giving a notice in accordance with Act and Rules.
Proceedings at general meetings		
		Presence of Quorum
64.	(1)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
		Right of President to appoint any person as his representative.
	(4)	The President of India, so long as he is a member of a company, may appoint such person as he thinks fit to act as his representative at any meeting of the company or at any meeting of any class of members of the company. A person so appointed shall be deemed to be a member of such a company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy and postal ballot, as the President could exercise as a member of the company.
		Minutes of proceedings of meetings and resolutions passed by postal ballot
70.	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot, to be prepared and signed in such manner as may be prescribed by the Act & Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot, entries thereof in books kept for that purpose with their pages consecutively numbered.
		Certain matters not to be included in Minutes
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
Adjournment of meeting		
		Chairman may adjourn the meeting
72.	(1)	The Chairman may, with the consent of any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.
		Notice of adjourned meeting

	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
		Notice of adjourned meeting not required
	(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Votes of Members		
		Entitlement to vote on show of hands and on poll
73.		Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
		Seniority of names
75.	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
		Votes in respect of shares of deceased or insolvent members, etc.
77.		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy our Company of his right to such shares unless his right to vote at such meeting in respect thereof has previously been admitted.
		Restriction on voting rights
78.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in our Company have been paid or in regard to which our Company has exercised any right of lien.
		Restriction on exercise of voting rights in other cases to be void
79.		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in our Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
		Equal rights of members
80.		Any member whose name is entered in the register of members of our Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
Proxy		
		Member may vote in person or otherwise
82.	(1)	Save as provided in the Act and the Rules, any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
		Proxies when to be deposited

	(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of our Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
Board of Directors		
		Board of Directors
85.		Subject to the provisions of the Act and the Rules, the President shall from time to time determine the number of Directors of our Company which shall not be less than 3 (three) and not more than 15 (fifteen).
		Appointment of Chairman, Managing Director and other Directors,
86.	(1)	Save as provided under the Act and Rules, the President shall appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman provided that no such consultation is necessary in respect of Government representatives on the Board of Directors of the company. The appointment of Directors shall be in such number and for such period as the President may determine from time to time. The Directors (including the Chairman and /or Managing Director) shall be paid such salary and/or allowance as the President may from time to time determine.
	(2)	The President may appoint or reappoint an individual as the Chairman as well as the Managing Director of our Company at the same time on such terms and remuneration as he may think fit.
		Retirement and resignation of Directors
	(3)	(i) A Director appointed by virtue of his holding any office in the Government or Govt. Company, shall retire on the date he ceases to hold that office. (ii) Subject to the provisions of the Act and Rules, a Director including Chairman and/or Managing Director may resign from his office by giving a notice in writing. The resignation will take effect from the date it is accepted by the President.
		Rotational Retirement of Other Directors
	(4)	The period of office of all Directors shall be liable to determination for retirement of directors by rotation as provided under the Act and Rules and save as otherwise expressly provided in the Act and Rules, be reappointed by our Company in general meeting. The Chairman and/or Managing Director shall not be subject to retirement under this clause.
		Removal of Directors
87.	(1)	The President shall have the power to remove any Director including Chairman and / or Managing Director from office at any time in his absolute discretion.
		Filling of any vacancy
	(2)	The President shall have the right to fill in any vacancy in the office of director including Chairman and/or Managing Director caused by removal, dismissal, resignation, death or otherwise.
		Appointment of additional directors
88.	(1)	Subject to the provisions of the Act and Rules the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
		Duration of office of additional director

	(2)	Such person shall hold office only up to the date of the next annual general meeting of our Company but shall be eligible for appointment by our Company as Chairman and /or Managing Director or a director at that meeting subject to the provisions of the Act and Rules.
		Appointment of alternate director
89.	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "**the Original Director**") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act and Rules.
		Powers of Board
		General powers of our Company vested in Board
90.	(1)	Subject to the provisions of the Act, Rules and these articles, the Board of Directors of the company shall been titled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing reserved for President or any power which is directed or required whether by the Act or any other Act or by the Memorandum and Articles of the company or otherwise, to be exercised or done by the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, Rules or any other Act or in the Memorandum and Articles of the company, or in any regulations not inconsistent herewith and duly made thereunder, including regulations made by the company in general meeting
	(2)	No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 110 001, India from 10.00 a.m. and 5.30 p.m. from the date of the filing of this Draft Shelf Prospectus with the Stock Exchange until the Issue Closing Date.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 24, 2019, executed between our Company and the Lead Managers.

2. Registrar Agreement dated September 24, 2019, executed between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated September 24, 2019, executed between our Company and the Debenture Trustee.

4. Agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Public Issue Account Agreement to be executed between our Company, the Registrar, the Bankers to the Issue and the Lead Managers.

6. Consortium Agreement to be executed between our Company, the Lead Managers and the Consortium Members.

7. Tripartite Agreements dated April 25, 2006, and May 16, 2006, between our Company, the Registrar to the Issue, and CDSL and NSDL respectively.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;

2. Certificate of Incorporation of the Company dated July 16, 1986, and certificate of commencement of business of the Company dated December 31, 1987;

3. Certificate of registration of the Company as a IFC NBFC;

4. Copy of shareholders resolution dated August 19, 2016, under section 180(1)(c) of the Companies Act, 2013, approving the borrowing limits limit of the Board of Directors;

5. Copy of the Board resolution dated March 27, 2019 and September 20, 2019, approving the Issue;

6. Copy of the resolution passed by the Board of Directors at its meeting held on September 20, 2019, approving the Draft Shelf Prospectus and delegating power to authorized officials to make further changes;

7. Consents of each of the Directors, the Chief Financial Officer, the Compliance Officer of the Company, Lead Managers, legal counsel to the Issue, Registrar to the Issue, Bankers to our Company, the Debenture Trustee, and the Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities;

8. Consent letter from CARE Ratings Limited in respect of permission to use and disclose the contents of the following reports for the section on 'Industry' in this Draft Shelf Prospectus:

   8.1. Report titled "*Power Sector Year – End FY19 Report*" dated March 29, 2019; and

   8.2. Report titled "*Energy Outlook – FY 20 Report*" dated May 27, 2019;

9. Credit rating letter dated September 17, 2019, and credit rating rationale dated September 17, 2019, by CARE assigning a rating of "CARE AAA; Stable" in respect of the NCDs.

10. Credit rating letter dated September 13, 2019, and credit rating rationale dated September 13, 2019, by ICRA assigning a rating of "[ICRA]AAA(Stable)" in respect of the NCDs.

11. Credit rating letter dated September 16, 2019, and credit rating rationale dated September 16, 2019, by CRISIL assigning a rating of "CRISIL AAA / Stable" in respect of the NCDs.

12. Consent of the Statutory Auditors dated September 20, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated September 20, 2019, on the the Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP; and (ii) their report dated September 20, 2019, on the statement of tax benefits, included in this Draft Shelf Prospectus.

13. Statutory Auditors' examination reports, each dated September 20, 2019, on the the Reformatted Consolidated Financial Information under IGAAP, the Consolidated Financial Information under IND-AS, the Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP.

14. Statement of tax benefits dated September 20, 2019, issued by our Statutory Auditors;

15. Annual report of our Company for the last five Fiscals;

16. Limited Review Financial Results for the quarter ending June 30, 2019;

17. In-principle listing approval from NSE by its letter dated [●];

18. Due diligence certificate dated [●], 2019, filed by the Lead Managers with SEBI;

19. Memorandum of Understanding for the year 2019-20 between our Company and Ministry of Power, GoI; and

20. Memorandum of Understanding dated June 14, 2019, between our Company and REC Limited.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, the relevant provisions of Companies Act, 1956, as amended and the rules prescribed thereunder, as applicable, on the date of this Draft Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Reserve Bank of India and by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. We further certify that the disclosures made in this Draft Shelf Prospectus are true and correct and in conformity with the Companies Act, 1956, as amended, and the relevant provisions of the Companies Act, 2013, as amended, to the extent applicable as on the date of this Draft Shelf Prospectus, Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, as amended, applicable as on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder, and the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

SIGNED BY ALL DIRECTORS:

Mr. Rajeev Sharma
Chairman & Managing Director

Mr. Naveen Bhushan Gupta
Director (Finance)

Mr. Praveen Kumar Singh
Director (Commercial)

Mr. Ravinder Singh Dhillon
Director (Projects)

Mr. Mritunjay Kumar Narayan
Government Nominee Director

Mr. Sitaram Bhanwarlal Pareek
Independent Director

Ms. Gouri Chaudhury
Independent Director

Mr. R. C. Mishra
Independent Director

Date: September 25, 2019

Place: New Delhi

ANNEXURE A: CREDIT RATING AND RATIONALE

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CARE Ratings
Professional Risk Opinion

Celebrating 25th Year Analytical Excellence

No. CARE/DRO/RL/2019-20/2193

Ms. Parminder Chopra
General Manager (Finance- RM International)
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi – 110001

September 17, 2019

Confidential

Dear Madam,

Credit rating for FY20 Market Borrowing Programme

Please refer to our letter CARE/DRO/RL/2018-19/4169 dated March 28, 2019 and your request for revalidation of the rating assigned to the Market Borrowing programme of Power Finance Corporation Limited, for a limit of Rs.63,000 crore.

The following ratings have been reviewed:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Long term instruments – Market Borrowing Programme (FY'20)	56,000.00 (Rs Fifty Six thousand Crore only)	**CARE AAA; Stable [Triple A; Outlook: Stable]**	**Reaffirmed**
Short Term Instruments- Market Borrowing Programme (FY'20)	7,000.00 (Rs Seven Thousand Crore only)	**CARE A1+ (A One Plus)**	**Reaffirmed**
Total	**63,000.00*# (Rs Sixty Three thousand Crore only)**		

**o/s amount is Rs.13,860.45 cr as on July 30, 2019*
#Includes proposed public issue of taxable bonds aggregating upto Rs.10,000 crores

2. The Short Term debt Issue would be for a maturity not exceeding one year.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** for long term rating and **two months** for short term rating from the date of this letter.
4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

vidushi

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22-6754 3436 • Fax: +91-22-6754 3457
Email: care@careratings.com • www.careratings.com

13th Floor, E-1 Block, Videocon Tower Jhandewalan Extension, New Delhi - 110 055.
Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238

CIN-L67190MH1993PLC071691

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Vidushi Gupta
[Analyst]
vidushi.gupta@careratings.com

Gaurav Dixit
[Deputy General Manager]
gaurav.dixit@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)
13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi - 110 055.
Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238 • www.careratings.com • CIN-L67190MH1993PLC071691

Power Finance Corporation Limited

March 28, 2019

Ratings

Instruments	Amount (Rs. Cr)	Rating[1]	Rating Action
Long Term Borrowing Programme for FY-20	56,000 (Rs. Fifty Six thousand crore only)	**CARE AAA/Stable [Triple A; Outlook: Stable]**	**Assigned**
Short Term Borrowing Programme for FY-20	7,000 (Rs. Seven thousand crore only)	**CARE A1+ [A One Plus]**	**Assigned**
Commercial Paper Issue for FY20	18,000 (Rs. Eighteen thousand crore only)	**CARE A1+ [A One Plus]**	**Assigned**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the market borrowing programme of Power Finance Corporation Limited (PFC) factor in the majority ownership (61.48% as on December 31, 2018) by the Government of India (GoI) and PFC's strategic importance to GoI, in the development of power infrastructure in India. The rating also draws comfort from PFC's diversified resource profile and adequate profitability. The rating also factors in the risk associated with weakness in PFC's asset quality by way of exposure to private sector, high exposure to weak state power utilities and high sectoral as well as borrower concentration risk.

With respect to the acquisition of Government of India's (GoI) existing 52.63% of total paid up equity shareholding in Rural Electrification Corporation (REC) by Power Finance Corporation Limited (PFC), the acquisition transaction is expected to conclude before the end of March 2019 with PFC making a payment of Rs.14,500 crore to GoI. Subsequent to the transaction, REC will become a subsidiary of PFC. With reference to the impact of the transaction on the capitalization profile; the capital ratios of PFC will decline from current levels (CAR and Tier 1 capital at 18.95% and 15.95% as on Dec-18), however Tier 2 capital raising by PFC of around Rs.5,400 crore (of which Rs.4,400 crore is already raised and balance expected to be raised before end of Mar-19) and accrual of profits of Q4, FY19 will reduce the impact to some extent. During Q3, FY19 PFC reported PAT of Rs.2,076 crore. CARE expects PFC to maintain capital ratios higher than the regulatory threshold of Tier 1 capital and overall CAR at 10% and 15% respectively, even after the transaction.

PFC is expected to maintain comfortable capital structure and financial profile backed by expectation of continued strong support from GoI; given PFC's majority sovereign ownership and its strategic importance in the development and as a lender to the power sector. During 9M FY19, PFC reported profit after tax (PAT) of Rs.4,804 crore and its Gross and Net NPAs were 9.47% and 4.55% as on December 31, 2018. CARE will closely monitor the developments in this regard and continue to assess any impact on credit & financial profile of PFC.

Going forward, continued ownership and support from GoI and maintaining comfortable capital structure and asset quality are key rating sensitivities.

Detailed description of the key rating drivers

Key Ratings strengths

Government ownership and status of nodal agency: PFC plays a pivotal role in financing power projects from both the state and private sector, thereby being instrumental in strengthening the power infrastructure of the country. PFC has been designated as the nodal agency by the Ministry of Power (MoP), Government of India (GoI), for the development of Ultra Mega Power Projects (UMPPs) and operationalization of Restructured Accelerated Power Development and Reform Programme (R-APDRP; subsumed into Integrated Power Development Scheme (IPDS) in December 2014). The GoI is the major shareholder with 61.48% stake in PFC as on December 31, 2018. GoI has also given PFC access to low cost funding sources such as 54EC capital gain bonds and tax free bonds in past.

Diversified resource profile: PFC has a well-diversified resource profile, as it has mobilized funds at cost-effective rates from various sources, including long-term bonds, capital gain bonds, tax-free bonds, infrastructure bonds, foreign currency loans, bank loans and, commercial paper. The total borrowing as on March 31, 2018 was Rs.2,29,538 crore (Rs.202,588.04 crore as on March 31, 2017), which included bonds (85.58% of the total borrowing as on March 31, 2018), term loans (11.40%) and short term borrowings (3.02%). As on March 31, 2018, 92.04% of borrowings are in Rupee denominated and the remaining (7.96%) is foreign currency denominated borrowings. Out of total foreign currency borrowings, 58% are hedged and balance is un-hedged.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

The liquidity profile of the company is expected to be comfortable as reflected in no negative cumulative mismatches in ALM buckets up to six months (as per ALM statement dated Sep 30, 2018) as well as on the back of strong financial flexibility backed by sovereign ownership, well diversified resource profile and unutilized bank lines. As on March 14, 2019, the company had unutilized bank lines of Rs.8,120 crore which provides a significant liquidity buffer.

Capitalization profile: As on March 31, 2018, PFC had Tier I CAR of 16.98% and overall CAR of 19.99%. On account of Ind AS adoption from Q1, FY19, PFC's net worth declined primarily on account of ECL provisioning. PFC's CAR and Tier-1 capital was 18.95% and 15.95% respectively as on December 31, 2018. Capital ratios of PFC will decline from current levels on account of payment of Rs.14,500 crore to GoI for purchase of stake in REC however Tier 2 capital raising by PFC of around Rs.5,400 crore (of which Rs.4,400 crore is already raised and balance expected to be raised before end of Mar-19) and accrual of profits of Q4, FY19 will reduce the impact to some extent. CARE expects PFC to maintain capital ratios higher than regulatory threshold of Tier 1 capital and CAR at 10% and 15% respectively even after the transaction. Also, PFC is majority owned by GoI (61.48% as on December 31, 2018) and is expected to maintain comfortable capital structure and financial profile backed by expectation of continued strong support from GoI; given PFC's majority sovereign ownership and its strategic importance in development and lending to the power sector.

Adequate Profitability: During FY18, PFC reported PAT of Rs.5,855 crore vs. Rs.2,126 crore in FY17. Profitability during FY18 was adequate despite moderation in PFC's interest spreads and NIMs, and were supported primarily by significantly lower provisioning during FY18 vs. FY17. PFC's interest spread has reduced to 1.88% in FY18 as compared to 2.68% in FY17. Also, the Net Interest Margins in FY18 declined to 3.21% as compared to 3.95% in FY17. The decline in interest spreads and NIMs was on account of reduction in lending rates by PFC following competitive intensity as well as due to non-interest accrual on its NPAs. PFC reported PAT of Rs.4,804 crore during 9M, FY19.

Growth in credit portfolio, weakness in asset quality in exposure to private sector: The Gross loan portfolio of PFC had registered a growth of around 13.60% in FY18 (increased from Rs. 2,45,380 crore as on March 31, 2017 to Rs.2,78,915 crore as on March 31, 2018) and grown further by around 7% (over Mar-18) to Rs.2,98,128 cr as on Dec 31, 2018. PFC's loan book comprised exposure to state power utilities (65% of total portfolio as on March 31, 2018), central sector entities (8%), Joint sector entities (9%) and private sector (18%).
While PFC's GNPA% and NNPA% declined from 12.50% and 10.55% respectively as on March 31, 2017 to 9.58% and 7.56% respectively as on March 31, 2018 but it still remains high; As on Dec 31, 2018, GNPA and NNPA stands at 9.47% and 4.55% respectively. PFC's higher gross NPAs are primarily on account of its exposure to private sector power projects (IPPs). Out of PFC's total private sector exposure of Rs.51,663 crore (17% of total book as on Dec-18), Rs.28,236 crore is classified as stressed (stage-3 assets).
PFC has made total provisions of Rs.14,681 cr on stage 3 assets and hence its net NPAs declined from 7.55% as on Mar-18 to 4.55% as on Dec-18. The provision cover on stage-3 assets is 52% as on Dec 31, 2018. The Net NPA/Tangible Net worth was 51.68% as on March 31, 2018 vs. 69.50% as on March 31, 2017, subsequent to provisioning made on adoption of Ind AS, Net NPA/Tangible Net Worth declined to around 40% as on Sep 30, 2018
PFC lends exclusively to the power sector, exposing it to the sectoral concentration risk. Furthermore, PFC's top 15 borrowers accounted for 50% of the total loans as on March 31, 2018, thereby exposing the company to high customer concentration risk.

Analytical approach: Standalone, factoring in timely equity support from Government of India given PFC is majority owned by GoI and plays strategic role in power sector financing and development in India

Applicable Criteria
Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
CARE's methodology for Short-term Instruments
Rating Methodology for Non-Banking Financial Companies
Financial Ratios (Financial Sector)
Factoring Linkages in Ratings

About the Company
PFC was set up in the year 1986 as a Financial Institution (FI) dedicated to power sector financing. The corporation was notified as a public financial institution in 1990 under the Companies Act, 1956. Until 1996, PFC lent exclusively to the public sector entities. Since 1996, it has expanded its customer profile to include private sector power utilities and projects. In the year 2010, RBI had classified the company as 'Infrastructure Finance Company (NBFC-ND-IFC)'. The product portfolio of PFC includes financial products and services like rupee term loan, short-term loan, equipment lease financing and transitional financing services, etc, for various power projects in generation, transmission and distribution

sector. PFC's clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	27,018	26,738
PAT	2,127	5,855
Interest coverage (times)	1.31	1.48
Total Assets	2,63,699	2,92,563
Net NPA (%)	10.55	7.56
ROTA (%)	0.83	2.11

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Analyst Contact:
Name: Mr Puneet Maheshwari
Tel: 011 – 4533 3251
Mobile: +91 9871799127
Email: p.maheshwari@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Borrowings-Market Borrowing Programme-LT		Proposed		56000.00	CARE AAA; Stable
Short Term Instruments-Short Term Borrowing		Proposed		7000.00	CARE A1+
Commercial Paper		Proposed		18000.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Borrowings-Market Borrowing Programme	LT	11219.50	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)	1)CARE AAA (30-Oct-15)
2.	Borrowings-Market Borrowing Programme	LT	8674.00	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)	1)CARE AAA (30-Oct-15)
3.	Debt-Subordinate Debt	LT	3800.00	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)	1)CARE AAA (30-Oct-15)
4.	Borrowings-Market Borrowing Programme	LT	34434.00	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)	1)CARE AAA / CARE A1+ (30-Oct-15)
5.	Borrowings-Market Borrowing Programme	LT	13880.00	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16) 3)CARE AAA / CARE A1+ (14-Apr-16)	1)CARE AAA / CARE A1+ (09-Feb-16) 2)CARE AAA / CARE A1+ (03-Dec-15) 3)CARE AAA / CARE A1+ (30-Oct-15) 4)CARE AAA / CARE A1+ (26-Jun-15) 5)CARE AAA / CARE A1+ (15-Apr-15)
6.	Borrowings-Market	LT	41115.00	CARE	1)CARE AAA;	1)CARE AAA;	1)CARE AAA;	-

	Borrowing Programme			AAA; Stable	Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	Stable (06-Oct-17)	Stable (17-Mar-17) 2)CARE AAA; Stable (13-Dec-16) 3)CARE AAA (17-Nov-16) 4)CARE AAA (07-Oct-16) 5)CARE AAA (09-Jun-16) 6)CARE AAA (24-May-16) 7)CARE AAA (14-Apr-16)	
7.	Short Term Instruments-Short Term Borrowing	ST	0.00	CARE A1+	-	1)CARE A1+ (06-Oct-17)	1)CARE A1+ (17-Mar-17) 2)CARE A1+ (13-Dec-16) 3)CARE A1+ (17-Nov-16) 4)CARE A1+ (07-Oct-16) 5)CARE A1+ (09-Jun-16) 6)CARE A1+ (24-May-16) 7)CARE A1+ (14-Apr-16)	-
8.	Borrowings-Market Borrowing Programme	LT	33118.00	CARE AAA; Stable	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (01-Mar-18) 2)CARE AAA; Stable (06-Oct-17) 3)CARE AAA; Stable (20-Sep-17) 4)CARE AAA; Stable (04-Sep-17) 5)CARE AAA; Stable / CARE A1+ (25-Apr-17)	-	-
9.	Short Term Instruments-Short Term Borrowing	ST	1925.00	CARE A1+	1)CARE A1+ (13-Dec-18) 2)CARE A1+ (26-Sep-18)	1)CARE A1+ (06-Oct-17) 2)CARE A1+ (20-Sep-17) 3)CARE A1+ (04-Sep-17) 4) (25-Apr-17)	-	-
10.	Borrowings-Market Borrowing Programme	LT	80000.00	CARE AAA; Stable	1)CARE AAA; Stable (22-Mar-19) 2)CARE AAA; Stable	-	-	-

					(13-Dec-18) 3)CARE AAA; Stable (05-Dec-18) 4)CARE AAA; Stable (05-Nov-18) 5)CARE AAA; Stable (26-Sep-18) 6)CARE AAA; Stable (03-Apr-18)			
11.	Short Term Instruments-Short Term Borrowing	ST	4000.00	CARE A1+	1)CARE A1+ (22-Mar-19) 2)CARE A1+ (13-Dec-18) 3)CARE A1+ (05-Dec-18) 4)CARE A1+ (05-Nov-18) 5)CARE A1+ (26-Sep-18) 6)CARE A1+ (24-Apr-18) 7)CARE A1+ (03-Apr-18)	-	-	-
12.	Commercial Paper	ST	13000.00	CARE A1+	1)CARE A1+ (13-Dec-18) 2)CARE A1+ (05-Dec-18) 3)CARE A1+ (05-Nov-18) 4)CARE A1+ (26-Sep-18) 5)CARE A1+ (24-Apr-18)	-	-	-
13.	Borrowings-Market Borrowing Programme	LT	56000.00	CARE AAA; Stable	-	-	-	-
14.	Short Term Instruments-Short Term Borrowing	ST	7000.00	CARE A1+	-	-	-	-
15.	Commercial Paper	ST	18000.00	CARE A1+	-	-	-	-

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CONFIDENTIAL

SN/FSR/PFC/2018-19/220056/60
September 16, 2019

Mrs. Parminder Chopra
Executive Director
Power Finance Corporation Limited
1, Urjanidhi, Barakhamba Lane,
Connaught Place, New Delhi - 110 001
Phone : 011-23456831
Fax: 011-2345 6284

Dear Mrs. Parminder Chopra,

Re: CRISIL Rating for the Rs.56000 crore Long-Term Borrowing Programme* of Power Finance Corporation Limited.

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated August 22, 2019 bearing Ref. no.: SN/FSR/PFC/2018-19/220056/6

Please find in the table below the rating outstanding for your company.

Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
Long Term Borrowing Programme	56000	CRISIL AAA/Stable

**Borrowing programme for fiscal 2020. Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.56,000 crore at any point in time during the fiscal.The long term borrowing programme includes Public Issue of Taxable Non-Convertible Debentures aggregating Rs.10,000 crore.*

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subha Sri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Ratings

CRISIL
An S&P Global Company

Rating Rationale

March 27, 2019 | Mumbai

Power Finance Corporation Limited

'CRISIL AAA/Stable' assigned to Long-term borrowing programme; 'CRISIL A1+' assigned to Short-term borrowing programme

Rating Action

Total Bank Loan Facilities Rated	**Rs.10000 Crore**
Long Term Rating	**CRISIL AAA/Stable (Reaffirmed)**

Rs.56000 Crore Long-Term Borrowing Programme^	**CRISIL AAA/Stable (Assigned)**
Rs.25000 crore Short-Term Borrowing Programme^	**CRISIL A1+ (Assigned)**
Rs.80000 Crore Long-Term Borrowing Programme~	**CRISIL AAA/Stable (Reaffirmed)**
Rs.64000 Crore Long-Term Borrowing Programme*	**CRISIL AAA/Stable (Reaffirmed)**
Subordinated Non-Convertible Debentures Aggregating Rs.15000 Crore	**CRISIL AAA/Stable (Reaffirmed)**
Bonds Aggregating Rs.185943.4 Crore#	**CRISIL AAA/Stable (Reaffirmed)**
Rs.17000 Crore Short-Term Borrowing Programme~	**CRISIL A1+ (Reaffirmed)**
Rs.20000 Crore Short-Term Borrowing Programme*	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities
^Borrowing programme for fiscal 2020. Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.56,000 crore at any point in time during the fiscal.The long term borrowing programme includes Public Issue of Taxable Non-Convertible Debentures aggregating Rs 10,000 crore.
~Borrowing programme for fiscal 2019. Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.80,000 crore at any point in time during the fiscal.
**Borrowing programme for fiscal 2018.*
#Includes Rs 5000 crore of extra budgetary resources raised on behalf of Ministry of Power..

Detailed Rationale

CRISIL has assigned its '**CRISIL AAA/Stable**' rating to the Rs 56,000 crore long term borrowing programme of Power Finance Corporation (PFC) and its '**CRISIL A1+**' rating to the Rs 25,000 crore short term borrowing programme of the company. CRISIL has also reaffirmed its ratings on the debt instruments and bank facilities of PFC at 'CRISIL AAA/Stable/CRISIL A1+'. CRISIL has withdrawn its rating on bonds of Rs. 6210 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL has received independent confirmation that these instruments are fully redeemed.

On December 6, 2018, the Cabinet Committee on Economic Affairs gave its 'In Principle' approval for the strategic sale of Government of India's (GoI's) existing stake in REC Limited (REC) to Power Finance Corporation Limited (PFC), along with transfer of management control.

On December 11, 2018, CRISIL had indicated that it would continue to closely monitor the developments and take appropriate need-based rating action thereafter. Subsequently, CRISIL had discussions with the management of both the companies and their key stakeholders and on February 15, 2019, reaffirmed the ratings on the debt instruments and bank facilities of PFC at CRISIL AAA/Stable/CRISIL A1+.

The reaffirmation was driven by CRISIL's belief that both PFC and REC will continue to remain strategically important to GoI and support, if any, required for both entities will be provided by GoI. Both these companies will continue to play their respective policy roles and will remain the nodal agencies for implementing GoI's power sector policies. Further, they are expected to operate all functions independently as they do it currently.

CRISIL understands that, post the stake sale by GoI, REC would still continue to operate as public financial institution (PFI), Infrastructure Finance Company (NBFC-IFC) and a Central Public Sector Enterprise (CPSE). Further, the entity would continue to accrue all the benefits it was eligible for prior to stake sale by GoI, including raising bonds under Section 54EC. Capital support, if required, by REC, will be provided by government, through PFC.

On March 20, 2019, PFC announced that its board has approved the acquisition at a cash consideration of Rs 139.5 per share with total acquisition cost of about Rs 14,500 crore. The acquisition by PFC will be largely funded by cash inflows from the business (~70%) and remaining through debt (~30%). In CRISIL's view, this additional debt does not have a material impact on the gearing of PFC, given its sizeable networth.

PFC has undertaken several measures to improve the capital ratios including reduction in risk weighted assets (RWA) and divestment of non-core assets/investments. Further, PFC has raised Tier II capital of Rs 5400 crore; with this, the capital ratios are expected to be in compliance with the regulatory requirement of 10% and 15%of Tier I and overall CAR respectively for NBFC-IFCs (PFC had Tier I and overall CAR of 15.95% and 18.95% respectively as on December 31, 2018). Nevertheless, CRISIL would continue to monitor the same.

The ratings on the debt instruments of PFC continue to reflect the company's strategic importance to the GoI given its key role in financing the Indian power sector, and its majority ownership by GoI. The ratings also factor in its strong market position and adequate capitalisation and resource profile. These strengths are partially offset by inherent vulnerability in PFC's asset quality, and significant sectoral and customer concentration.

Analytical Approach

For arriving at the ratings, CRISIL has combined the business and financial risk profile of PFC and its subsidiaries. CRISIL, will consolidate financials of REC with PFC, once the transaction is consummated. Furthermore, CRISIL factors in support from the majority owner, GoI given its key role in financing the Indian power sector.

Please refer Annexure - Details of consolidation, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths

*** Strategic importance to and majority ownership by GoI**

The company's high strategic importance to GoI is reflected in the role it plays in implementing government policies, and its importance in financing India's power sector, particularly government sector power utilities (PSUs, includes state (65%), central (7%) and joint (9%) power undertakings). PFC is the nodal agency for the development of Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS), and is also the bid process coordinator for the Independent Transmission Projects (ITP) scheme. The company plays a developmental role in channelling finance to meet the power sector's large funding requirement, particularly of PSUs, which constitute 83% of its portfolio. GoI remains the majority shareholder, with a stake of 61.48% as on December 31, 2018. The government supports the company financially and operationally in various ways, including conferring special status to raise capital gains tax exemption bonds. CRISIL believes that GoI has strong strategic reasons and a moral obligation to support PFC, both on an ongoing basis and in the event of distress, given the latter's role in implementing the government's power sector policies and GoI's majority ownership in the company.

*** Dominant market position in the power financing segment**

PFC plays an important role in the Indian power sector, not only by providing finance but also by implementing GoI's power sector policies. The company is the largest lender to the power sector with a share of over 20%, and plays a key role in channelling finance to PSUs. The share of PSUs in the loan book stood at 83% as on December 31, 2018 (82% as on September 30, 2018). Loans outstanding to PSUs stood at Rs 2.98 lakh crore as on December 31, 2018. Additionally, PFC is the nodal agency for UMPP and the IPDS.

*** Adequate capitalisation**

As on December 31, 2018, tier-I capital adequacy ratio (CAR) was 15.95%, overall CAR 18.95%, and net worth (share capital and all reserves) Rs 40932 crore, against 17.66%, 20.75% and Rs 37,198 crore, respectively as on December 31, 2017. PFC has raised Tier II capital of Rs 5400 crore in March 2019, factoring in the same, the capital ratios are expected to remain in compliance with regulatory requirements of 10% and 15%of Tier I and overall CAR respectively for NBFC-IFCs. Capitalisation is expected to remain adequate over the medium term, supported by a demonstrated ability to raise capital through public issues. The net worth to net NPA ratio was 3.0 times as on December 31, 2018 (2.8 times as on September 30, 2018). Accruals to networth is supported by ability to maintain good interest spreads and a low operating expense ratio. The return on assets ratio was 2.2% (annualised) in the first nine months fiscal 2019 (2.1% in fiscal 2018). However, profitability will remain susceptible to increase in credit costs because of weakening in asset quality in the private sector exposures.

*** Adequate resource profile**

Borrowing costs are competitive and the resource base, though wholesale, is diversified. The debt instruments have wide market acceptability and borrowing is typically at low spreads over government securities. The cost of borrowing is lower than that of peers, and was 7.8% for fiscal 2018 (8.1% for fiscal 2017). The resource profile as on December 31, 2018 mainly comprises of bonds (80%) and term loans (17%), and other borrowings form 3% of the total resource pool. The company also has access to foreign currency borrowing, which comprised 12% of the total resources as on December 31, 2018 (8% as on March 31, 2018). It hedges only a limited portion of its foreign currency borrowing based on its board-approved policy. The company has also received government approval to raise capital gain bonds under Section 54 EC; which should further support the resource profile.

In fiscal 2017, extra budgetary resources of Rs 5000 crore were raised on behalf of the, GoI. These bonds will be fully serviced by the government through the general budget; hence, a separate government guarantee was not required for issue of these bonds. In its analytical treatment, CRISIL has assumed that PFC will ensure the bonds are serviced on time.

Weakness

*** Inherent vulnerability in asset quality, and significant sectoral and customer concentration**

PFC's asset quality remains inherently vulnerable to the weak credit risk profiles of borrowers. The company caters only to the power sector, with 83% of its advances to government sector power utilities (including generation, transmission, and discoms). PSUs, especially discoms, are an inherently weak asset class because of their poor financial risk profiles. Loans to discoms accounted for 22% of overall advances, including transition funding. Effective execution of various reform measures is extremely critical for PSUs to produce the desired positive impact, and broad-based political consensus is necessary to implement the much-needed tariff increases to ensure sustained improvement in the performance of PSUs. NPAs and restructured assets from the PSU book rose sharply in fiscal 2017 owing to alignment with RBI restructuring norms. However, the downgraded accounts had been paying dues regularly, and a majority of them were upgraded in fiscal 2018. As on December 31, 2018, NPAs (stage III assets as per IND AS) are nil from this portfolio.

PFC also has 17% exposure to private sector power players, which have increasingly become more vulnerable to asset quality risks owing to issues such as lack of fuel availability, inability to pass on fuel price increases, and absence of long-term power purchase agreements for assured power offtake. PFC reported gross NPAs (stage III assets as per IND-AS) of 9.47% as on December 31, 2018 against 5.71% a year ago and 9.67% as of September 30, 2018. While government sector NPAs declined over previous year, the share of NPAs from private sector has increased considerably. As on December 31, 2018, ~55 % of private sectors loans have been recognized as stage III assets. PFC has made provisions of 52% against the stage III assets.

Liquidity

Asset Liability Maturity (ALM) profile of PFC shows that liquidity position is adequate. The mismatches in the ALM buckets up to one year given the relatively long tenure of its assets are managed mainly through unutilised bank lines. Additionally, the debt repayments are well staggered across months, supporting its liquidity profile.

As on December 31, 2018, against the total debt of Rs 9,463 crore maturing till March 31, 2019. PFC had unutilised bank lines of Rs 12,250 crore as on January 24, 2019. PFC continues to tap debt capital markets for fresh issuances. Around Rs 7,908 crore and Rs 4,665 crore were raised as CP and NCDs, respectively, in the quarter ended December 31, 2018. PFC also raised term loans of Rs 10,250 crore over the same period.

Outlook: Stable
CRISIL believes GoI will retain its majority stake in PFC, which will continue to play a critical role in implementing government policies related to financing the Indian power sector, over the medium term. The company is also likely to retain its strong position in the infrastructure-financing segment, while maintaining healthy capitalisation. Any reduction in PFC's strategic importance to, and attendant support from, GoI, or significant deterioration in asset quality may result in an outlook revision to 'Negative'.

About the Company
PFC was established in 1986 by GoI as an institution dedicated to funding and developing the power sector in India. Until 1996, it lent exclusively to public sector entities. Since then, it has expanded its customer profile to include private sector power utilities and projects. PFC aims to promote balanced and integrated development of the power sector by providing finance to low-cost, efficient, and reliable projects.

On a consolidated basis, PFC reported a profit after tax (PAT) of Rs 5844 crore on a total income (net of interest expenses) of Rs 9704 for fiscal 2018, as against a PAT of Rs 2236 crore on a total income (net of interest expenses) of Rs 10844 crore for the previous fiscal. On a standalone basis, PFC reported a PAT of Rs 5855 crore on a total income (net of interest expenses) of Rs 9533 for fiscal 2018, as against a PAT of Rs 2126 crore on a total income (net of interest expenses) of Rs 10856 crore for the previous fiscal

For the nine month ended December 31, 2018, PFC reported a standalone PAT of Rs 4804 crore on a total income (net of interest expense) of Rs 7382 crore as against a standalone PAT of Rs 3565 crore on a total income (net of interest expense) of Rs 7190 crore for the corresponding period of the previous fiscal.

Key Financial Indicators - PFC Consolidated

As on / for the period ended March 31,	Unit	2018	2017
Total Assets	Rs. Cr.	288175	259537
Total income (net of interest expenses)	Rs. Cr.	9704	10844
Profit after tax	Rs. Cr.	5844	2236
Gross NPA	%	9.57	12.50
Overall capital adequacy ratio	%	19.99	19.28

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Rating Assigned with outlook
INE134E08693	Institutional bonds	30-Dec-02	8.10%	30-Dec-22	750	CRISIL AAA/Stable
INE134E08925	Institutional bonds	31-May-06	8.85%	31-May-21	600	CRISIL AAA/Stable
INE134E08BP2	Institutional bonds	07-Aug-09	8.60%	07-Aug-24	866.5	CRISIL AAA/Stable
INE134E08BO5	Institutional bonds	07-Aug-09	8.60%	07-Aug-19	866.5	CRISIL AAA/Stable
INE134E08BT4	Institutional bonds	15-Oct-09	8.80%	15-Oct-19	1,216.60	CRISIL AAA/Stable
INE134E08CK1	Institutional bonds	20-Nov-09	1YINCMTBMK +179 bps (floating rate) bps (floating rate)	20-Nov-19	925	CRISIL AAA/Stable
INE134E08CN5	Institutional bonds	15-Dec-09	8.50%	15-Dec-24	351	CRISIL AAA/Stable
INE134E08CM7	Institutional bonds	15-Dec-09	8.50%	15-Dec-19	351	CRISIL AAA/Stable
INE134E08CP0	Institutional bonds	15-Jan-10	8.80%	15-Jan-25	1,172.60	CRISIL AAA/Stable
INE134E08CO3	Institutional bonds	15-Jan-10	8.70%	15-Jan-20	845.4	CRISIL AAA/Stable
INE134E08CS4	Institutional bonds	15-Mar-10	8.90%	15-Mar-25	184	CRISIL AAA/Stable
INE134E08CR6	Institutional bonds	15-Mar-10	8.90%	15-Mar-20	184	CRISIL AAA/Stable
INE134E08CV8	Institutional bonds	30-Mar-10	8.95%	30-Mar-25	492	CRISIL AAA/Stable
INE134E08CU0	Institutional bonds	30-Mar-10	8.95%	30-Mar-20	492	CRISIL AAA/Stable
INE134E08CY2	Institutional bonds	14-May-10	8.70%	14-May-25	1,337.50	CRISIL AAA/Stable
INE134E08CX4	Institutional bonds	14-May-10	8.70%	14-May-20	1,337.50	CRISIL AAA/Stable
INE134E08DA0	Institutional bonds	15-Jun-10	8.75%	15-Jun-25	1,532.00	CRISIL AAA/Stable
INE134E08CZ9	Institutional bonds	15-Jun-10	8.65%	15-Jun-20	500	CRISIL AAA/Stable
INE134E08DB8	Institutional bonds	15-Jun-10	8.85%	15-Jun-30	633	CRISIL AAA/Stable
INE134E08DE2	Institutional bonds	04-Aug-10	8.70%	15-Jul-20	1,424.00	CRISIL AAA/Stable
INE134E08DG7	Institutional bonds	15-Nov-10	8.78%	15-Nov-20	1,549.00	CRISIL AAA/Stable
INE134E08DI3	Institutional bonds	15-Dec-10	9.05%	15-Dec-25	192.7	CRISIL AAA/Stable

INE134E08DH5	Institutional bonds	15-Dec-10	9.05%	15-Dec-20	192.7	CRISIL AAA/Stable
INE134E08DJ1	Institutional bonds	15-Dec-10	9.05%	15-Dec-30	192.7	CRISIL AAA/Stable
INE134E08DL7	Institutional bonds	14-Jan-11	8.99%	15-Jan-21	1,219.00	CRISIL AAA/Stable
INE134E07091	Infrastructure Bonds	31-Mar-11	8.50%	31-Mar-26	6.1	CRISIL AAA/Stable
INE134E07109	Infrastructure Bonds	31-Mar-11	8.50%	31-Mar-26	22.7	CRISIL AAA/Stable
INE134E07075	Infrastructure Bonds	31-Mar-11	8.30%	31-Mar-21	50	CRISIL AAA/Stable
INE134E07083	Infrastructure Bonds	31-Mar-11	8.30%	31-Mar-21	109.1	CRISIL AAA/Stable
INE134E08DM5	Institutional bonds	15-Apr-11	9.18%	15-Apr-21	1,000.00	CRISIL AAA/Stable
INE134E08DN3	Institutional bonds	09-Jun-11	9.70%	09-Jun-21	1,693.20	CRISIL AAA/Stable
INE134E08DQ6	Institutional bonds	29-Jun-11	9.61%	29-Jun-21	2,084.70	CRISIL AAA/Stable
INE134E08DS2	Institutional bonds	01-Aug-11	9.46%	01-Aug-26	1,105.00	CRISIL AAA/Stable
INE134E08DR4	Institutional bonds	01-Aug-11	9.36%	01-Aug-21	2,589.40	CRISIL AAA/Stable
INE134E08DU8	Institutional bonds	01-Sep-11	9.45%	01-Sep-26	2,568.00	CRISIL AAA/Stable
INE134E08DW4	Institutional bonds	23-Sep-11	9.44%	23-Sep-21	1,180.00	CRISIL AAA/Stable
INE134E07125	Institutional bonds	15-Oct-11	7.75%	15-Oct-26	218	CRISIL AAA/Stable
INE134E07117	Institutional bonds	15-Oct-11	7.51%	15-Oct-21	205.2	CRISIL AAA/Stable
INE134E07174	Infrastructure Bonds	21-Nov-11	8.75%	21-Nov-26	3.2	CRISIL AAA/Stable
INE134E07182	Infrastructure Bonds	21-Nov-11	8.75%	21-Nov-26	8.8	CRISIL AAA/Stable
INE134E07158	Infrastructure Bonds	21-Nov-11	8.50%	21-Nov-21	21.8	CRISIL AAA/Stable
INE134E07166	Infrastructure Bonds	21-Nov-11	8.50%	21-Nov-21	36.3	CRISIL AAA/Stable
INE134E07141	Institutional bonds	25-Nov-11	8.16%	25-Nov-26	209.3	CRISIL AAA/Stable
INE134E07133	Institutional bonds	25-Nov-11	8.09%	25-Nov-21	334.3	CRISIL AAA/Stable
INE134E07208	Tax-Free Bonds	01-Feb-12	8.30%	01-Feb-27	1,280.60	CRISIL AAA/Stable
INE134E07190	Tax-Free Bonds	01-Feb-12	8.20%	01-Feb-22	2,752.50	CRISIL AAA/Stable
INE134E08EH3	Institutional bonds	06-Mar-12	9.26%	15-Apr-23	736	CRISIL AAA/Stable
INE134E08EG5	Institutional bonds	06-Mar-12	9.30%	15-Apr-20	79.5	CRISIL AAA/Stable
INE134E08EL5	Institutional bonds	20-Mar-12	9.42%	20-Mar-20	650.8	CRISIL AAA/Stable
INE134E08EO9	Institutional bonds	28-Mar-12	9.48%	15-Apr-22	184.7	CRISIL AAA/Stable
INE134E07232	Infrastructure Bonds	30-Mar-12	8.72%	30-Mar-27	0.9	CRISIL AAA/Stable
INE134E07240	Infrastructure Bonds	30-Mar-12	8.72%	30-Mar-27	2.8	CRISIL AAA/Stable
INE134E07216	Infrastructure Bonds	30-Mar-12	8.43%	30-Mar-22	7.4	CRISIL AAA/Stable
INE134E07224	Infrastructure Bonds	30-Mar-12	8.43%	30-Mar-22	15.5	CRISIL AAA/Stable
INE134E08EU6	Institutional bonds	29-Jun-12	9.39%	29-Jun-22	2,695.20	CRISIL AAA/Stable
INE134E08EX0	Institutional bonds	21-Aug-12	9.29%	21-Aug-22	640	CRISIL AAA/Stable
INE134E07307	Institutional bonds	22-Nov-12	7.38%	22-Nov-27	25	CRISIL AAA/Stable
INE134E07299	Institutional bonds	22-Nov-12	7.21%	22-Nov-22	255	CRISIL AAA/Stable
INE134E07323	Institutional bonds	29-Nov-12	7.38%	29-Nov-27	100	CRISIL AAA/Stable
INE134E07315	Institutional bonds	29-Nov-12	7.22%	29-Nov-22	30	CRISIL AAA/Stable
INE134E07349	Tax-Free Bonds	04-Jan-13	7.36%	04-Jan-28	150.1	CRISIL AAA/Stable
INE134E07349	Tax-Free Bonds	04-Jan-13	7.86%	04-Jan-28	206.9	CRISIL AAA/Stable
INE134E07331	Tax-Free Bonds	04-Jan-13	7.19%	04-Jan-23	185.9	CRISIL AAA/Stable
INE134E07331	Tax-Free Bonds	04-Jan-13	7.69%	04-Jan-23	156.9	CRISIL AAA/Stable
INE134E08FG2	Institutional bonds	20-Feb-13	8.82%	20-Feb-20	733	CRISIL AAA/Stable
INE134E08FJ6	Institutional bonds	04-Mar-13	8.84%	04-Mar-23	1,310.00	CRISIL AAA/Stable
INE134E08FI8	Institutional bonds	04-Mar-13	8.86%	04-Mar-20	54.3	CRISIL AAA/Stable
INE134E08FL2	Institutional bonds	11-Mar-13	9.00%	11-Mar-28	1,370.00	CRISIL AAA/Stable
INE134E08FO6	Institutional bonds	18-Mar-13	8.90%	18-Mar-28	403	CRISIL AAA/Stable
INE134E08FN8	Institutional bonds	18-Mar-13	8.90%	18-Mar-23	403	CRISIL AAA/Stable
INE134E08FP3	Institutional bonds	18-Mar-13	8.87%	18-Mar-23	70	CRISIL AAA/Stable
INE134E08FQ1	Institutional bonds	25-Mar-13	8.94%	25-Mar-28	2,807.00	CRISIL AAA/Stable
INE134E07364	Tax-Free Bonds	28-Mar-13	7.04%	28-Mar-28	6.1	CRISIL AAA/Stable
INE134E07364	Tax-Free Bonds	28-Mar-13	7.54%	28-Mar-28	63.1	CRISIL AAA/Stable
INE134E07356	Tax-Free Bonds	28-Mar-13	6.88%	28-Mar-23	50.1	CRISIL AAA/Stable
INE134E07356	Tax-Free Bonds	28-Mar-13	7.38%	28-Mar-23	46	CRISIL AAA/Stable
INE134E08FT5	Subordinated debt issue	14-Jun-13	8.19%	14-Jun-23	800	CRISIL AAA/Stable
INE134E07380	Institutional bonds	30-Aug-13	8.46%	30-Aug-28	1,011.10	CRISIL AAA/Stable
INE134E07372	Institutional bonds	30-Aug-13	8.01%	30-Aug-23	113	CRISIL AAA/Stable
INE134E07430	Tax-Free Bonds	16-Nov-13	8.54%	16-Nov-28	932.7	CRISIL AAA/Stable
INE134E07448	Tax-Free Bonds	16-Nov-13	8.79%	16-Nov-28	353.3	CRISIL AAA/Stable
INE134E07414	Tax-Free Bonds	16-Nov-13	8.18%	16-Nov-23	325.1	CRISIL AAA/Stable
INE134E07422	Tax-Free Bonds	16-Nov-13	8.43%	16-Nov-23	335.5	CRISIL AAA/Stable
INE134E07455	Tax-Free Bonds	16-Nov-13	8.67%	16-Nov-33	1,067.40	CRISIL AAA/Stable
INE134E07463	Tax-Free Bonds	16-Nov-13	8.92%	16-Nov-33	862	CRISIL AAA/Stable
INE134E08FW9	Subordinated debt issue	13-Jan-14	9.65%	13-Jan-24	1,000.00	CRISIL AAA/Stable
INE134E07505	Institutional bonds	31-Jan-14	9.70%	31-Jan-21	270	CRISIL AAA/Stable
INE134E07497	Institutional bonds	31-Jan-14	9.70%	31-Jan-20	270	CRISIL AAA/Stable
INE134E08FX7	Subordinated debt issue	21-Feb-14	9.70%	21-Feb-24	2,000.00	CRISIL AAA/Stable
INE134E08GA3	Institutional bonds	07-Jul-14	9.20%	07-Jul-21	700	CRISIL AAA/Stable
INE134E08FZ2	Institutional bonds	07-Jul-14	9.15%	07-Jul-19	100	CRISIL AAA/Stable

INE134E08GD7	Institutional bonds	19-Aug-14	9.37%	19-Aug-24	855	CRISIL AAA/Stable
INE134E08GH8	Institutional bonds	27-Aug-14	9.39%	27-Aug-29	460	CRISIL AAA/Stable
INE134E08GG0	Institutional bonds	27-Aug-14	9.39%	27-Aug-24	460	CRISIL AAA/Stable
INE134E08GF2	Institutional bonds	27-Aug-14	9.39%	27-Aug-19	460	CRISIL AAA/Stable
INE134E08GJ4	Institutional bonds	17-Sep-14	9.32%	17-Sep-19	1,591.00	CRISIL AAA/Stable
INE134E08GK2	Institutional bonds	08-Oct-14	8.98%	08-Oct-24	961	CRISIL AAA/Stable
INE134E08GL0	Institutional bonds	08-Oct-14	8.98%	08-Oct-24	950	CRISIL AAA/Stable
INE134E08GN6	Institutional bonds	21-Oct-14	8.96%	21-Oct-19	1,100.00	CRISIL AAA/Stable
INE134E08GO4	Institutional bonds	07-Nov-14	8.76%	07-Nov-19	1,000.00	CRISIL AAA/Stable
INE134E08GR7	Institutional bonds	28-Nov-14	8.66%	27-Nov-21	200	CRISIL AAA/Stable
INE134E08GQ9	Institutional bonds	28-Nov-14	8.65%	28-Nov-19	836	CRISIL AAA/Stable
INE134E08GU1	Institutional bonds	09-Dec-14	8.48%	09-Dec-24	1,000.00	CRISIL AAA/Stable
INE134E08GT3	Institutional bonds	09-Dec-14	8.55%	09-Dec-21	1,200.00	CRISIL AAA/Stable
INE134E08GS5	Institutional bonds	09-Dec-14	8.52%	09-Dec-19	1,220.00	CRISIL AAA/Stable
INE134E08GV9	Institutional bonds	29-Dec-14	8.65%	28-Dec-24	2,826.00	CRISIL AAA/Stable
INE134E08GW7	Institutional bonds	05-Jan-15	8.65%	04-Jan-25	5,000.00	CRISIL AAA/Stable
INE134E08GX5	Institutional bonds	26-Feb-15	8.36%	26-Feb-20	4,440.00	CRISIL AAA/Stable
INE134E08GY3	Institutional bonds	10-Mar-15	8.20%	10-Mar-25	1,600.00	CRISIL AAA/Stable
INE134E08HD5	Institutional bonds	19-Mar-15	8.39%	19-Apr-25	925	CRISIL AAA/Stable
INE134E08HC7	Institutional bonds	19-Mar-15	8.42%	18-Apr-20	200	CRISIL AAA/Stable
INE134E08HG8	Institutional bonds	27-Mar-15	8.41%	27-Mar-25	5,000.00	CRISIL AAA/Stable
INE134E08HF0	Institutional bonds	27-Mar-15	8.38%	27-Apr-20	1,350.00	CRISIL AAA/Stable
INE134E08HO2	Institutional bonds	29-Jun-15	8.50%	29-Jun-19	1,500.00	CRISIL AAA/Stable
INE134E07521	Institutional bonds	17-Jul-15	7.16%	17-Jul-25	300	CRISIL AAA/Stable
INE134E08HP9	Institutional bonds	24-Jul-15	8.53%	24-Jul-20	2,700.00	CRISIL AAA/Stable
INE134E08HQ7	Institutional bonds	10-Aug-15	8.45%	10-Aug-20	1,000.00	CRISIL AAA/Stable
INE134E08HV7	Institutional bonds	04-Sep-15	8.36%	04-Sep-20	1,250.00	CRISIL AAA/Stable
INE134E08HX3	Institutional bonds	18-Sep-15	8.40%	18-Sep-25	1,000.00	CRISIL AAA/Stable
INE134E08HW5	Institutional bonds	18-Sep-15	8.46%	18-Sep-20	1,000.00	CRISIL AAA/Stable
INE134E07539	Tax-Free Bonds	17-Oct-15	7.11%	17-Oct-25	75.1	CRISIL AAA/Stable
INE134E07547	Tax-Free Bonds	17-Oct-15	7.36%	17-Oct-25	79.3	CRISIL AAA/Stable
INE134E07570	Tax-Free Bonds	17-Oct-15	7.35%	17-Oct-35	213.6	CRISIL AAA/Stable
INE134E07588	Tax-Free Bonds	17-Oct-15	7.60%	17-Oct-35	155.5	CRISIL AAA/Stable
INE134E07554	Tax-Free Bonds	17-Oct-15	7.27%	17-Oct-30	131.3	CRISIL AAA/Stable
INE134E07562	Tax-Free Bonds	17-Oct-15	7.52%	17-Oct-30	45.2	CRISIL AAA/Stable
INE134E08IC5	Institutional bonds	13-Apr-16	7.85%	15-Apr-19	2,928.00	CRISIL AAA/Stable
INE134E08ID3	Institutional bonds	27-Apr-16	8.05%	27-Apr-21	300	CRISIL AAA/Stable
INE134E08IE1	Institutional bonds	02-May-16	8.03%	02-May-26	1,000.00	CRISIL AAA/Stable
INE134E08IF8	Institutional bonds	13-May-16	7.95%	13-May-19	1,915.00	CRISIL AAA/Stable
INE134E08IG6	Institutional bonds	31-May-16	8.04%	30-May-20	100	CRISIL AAA/Stable
INE134E08II2	Institutional bonds	16-Aug-16	7.63%	14-Aug-26	1,675.00	CRISIL AAA/Stable
INE134E08IH4	Institutional bonds	16-Aug-16	7.50%	16-Aug-21	2,660.00	CRISIL AAA/Stable
INE134E08IK8	Institutional bonds	16-Sep-16	7.56%	16-Sep-26	210	CRISIL AAA/Stable
INE134E08IJ0	Institutional bonds	16-Sep-16	7.47%	16-Sep-21	2,260.00	CRISIL AAA/Stable
INE134E08IL6	Institutional bonds	26-Sep-16	7.55%	25-Sep-26	4,000.00	CRISIL AAA/Stable
INE134E08IM4	Institutional bonds	30-Sep-16	7.40%	30-Sep-21	1,830.00	CRISIL AAA/Stable
INE134E08IN2	Institutional bonds	22-Dec-16	7.27%	22-Dec-21	1,101.00	CRISIL AAA/Stable
INE134E08IO0	Institutional bonds	05-Jan-17	7.23%	05-Jan-27	2,635.00	CRISIL AAA/Stable
INE134E08IP7	Institutional bonds	11-Jan-17	7.10%	11-Jan-27	200	CRISIL AAA/Stable
INE134E08IQ5	Institutional bonds	17-Jan-17	6.83%	15-Apr-20	2,000.00	CRISIL AAA/Stable
INE134E08IR3	Institutional bonds	20-Jan-17	7.18%	20-Jan-27	1,335.00	CRISIL AAA/Stable
INE134E08IS1	Institutional bonds	15-Feb-17	7.05%	15-May-20	2,551.00	CRISIL AAA/Stable
INE134E08IT9	Institutional bonds	20-Feb-17	7.60%	20-Feb-27	1,465.00	CRISIL AAA/Stable
INE134E08IW3	Institutional bonds	17-Mar-17	7.50%	17-Sep-20	2,435.00	CRISIL AAA/Stable
INE134E08IX1	Institutional bonds	22-Mar-17	7.75%	22-Mar-27	2,000.00	CRISIL AAA/Stable
INE134E08IY9	Institutional bonds	27-Mar-17	7.42%	26-Jun-20	3,605.00	CRISIL AAA/Stable
INE134E08IZ6	Institutional bonds*	05-May-17	7.46%	05-Jun-20	1,180.00	CRISIL AAA/Stable
INE134E08JA7	Institutional bonds*	30-May-17	7.30%	30-Jun-20	1,560.00	CRISIL AAA/Stable
INE134E08JB5	Institutional bonds*	12-Jun-17	7.28%	10-Jun-22	1,950.00	CRISIL AAA/Stable
INE134E08JC3	Institutional bonds*	12-Jun-17	7.44%	11-Jun-27	1,540.00	CRISIL AAA/Stable
INE134E07596	Institutional bonds*	31-Jul-17	5.25%	31-Jul-20	18.3	CRISIL AAA/Stable
INE134E08JD1	Institutional bonds*	08-Aug-17	7.10%	08-Aug-22	3,395.00	CRISIL AAA/Stable
INE134E08JE9	Institutional bonds*	08-Aug-17	7.30%	07-Aug-27	1,500.00	CRISIL AAA/Stable
INE134E07604	Institutional bonds*	31-Aug-17	5.25%	31-Aug-20	13.9	CRISIL AAA/Stable
INE134E07612	Institutional bonds*	30-Sep-17	5.25%	30-Sep-20	20.5	CRISIL AAA/Stable
INE134E07620	Institutional bonds*	31-Oct-17	5.25%	31-Oct-20	20.5	CRISIL AAA/Stable
INE134E08JF6	Institutional bonds*	22-Nov-17	7.35%	22-Nov-22	800	CRISIL AAA/Stable
INE134E08JG4	Institutional bonds*	22-Nov-17	7.65%	22-Nov-27	2,001.00	CRISIL AAA/Stable
INE134E07638	Institutional bonds*	30-Nov-17	5.25%	30-Nov-20	33.5	CRISIL AAA/Stable

INE134E08JH2	Institutional bonds*	15-Dec-17	7.62%	15-Dec-27	5,000.00	CRISIL AAA/Stable
INE134E07646	Institutional bonds*	31-Dec-17	5.25%	31-Dec-20	33.8	CRISIL AAA/Stable
INE134E08JI0	Institutional bonds*	30-Jan-18	7.74%	29-Jan-28	850	CRISIL AAA/Stable
INE134E07653	Institutional bonds*	31-Jan-18	5.25%	31-Jan-21	25.93	CRISIL AAA/Stable
INE134E08JJ8	Institutional bonds*	12-Feb-18	7.73%	12-Mar-21	505	CRISIL AAA/Stable
INE134E08JK6	Institutional bonds*	12-Feb-18	7.73%	05-Apr-21	1,325	CRISIL AAA/Stable
INE134E07661	Institutional bonds*	28-Feb-18	5.25%	28-Feb-21	37.95	CRISIL AAA/Stable
INE134E08JL4	Institutional bonds*	08-Mar-18	7.80%	07-Jun-19	3,300	CRISIL AAA/Stable
INE134E08JM2	Institutional bonds*	15-Mar-18	7.75%	15-Apr-21	600	CRISIL AAA/Stable
INE134E08JN0	Institutional bonds*	20-Mar-18	7.53%	20-Jan-20	1,500	CRISIL AAA/Stable
INE134E08JO8	Institutional bonds*	20-Mar-18	7.99%	20-Dec-22	1,295	CRISIL AAA/Stable
INE134E07679	Institutional bonds*	31-Mar-18	5.25%	31-Mar-21	87.79	CRISIL AAA/Stable
INE134E08JP5	Institutional bonds~	03-Apr-18	7.85%	03-Apr-28	3,855	CRISIL AAA/Stable
INE134E07687	Institutional bonds~	30-Apr-18	5.75%	30-Apr-23	6.54	CRISIL AAA/Stable
INE134E07695	Institutional bonds~	31-May-18	5.75%	31-May-23	7.04	CRISIL AAA/Stable
INE134E07703	Institutional bonds~	30-Jun-18	5.75%	30-Jun-23	10.11	CRISIL AAA/Stable
INE134E07711	Institutional bonds~	31-Jul-18	5.75%	31-Jul-23	14.32	CRISIL AAA/Stable
INE134E07729	Institutional bonds~	31-Aug-18	5.75%	31-Aug-23	15.95	CRISIL AAA/Stable
INE134E07737	Institutional bonds~	30-Sep-18	5.75%	30-Sep-23	26.03	CRISIL AAA/Stable
INE134E07745	Institutional bonds~	31-Oct-18	5.75%	31-Oct-23	32.94	CRISIL AAA/Stable
INE134E07752	Institutional bonds~	30-Nov-18	5.75%	30-Nov-23	41.12	CRISIL AAA/Stable
INE134E07760	Institutional bonds~	31-Dec-18	5.75%	31-Dec-23	55.14	CRISIL AAA/Stable
NA	Term loan 1*	19-Mar-18	7.85%	19-Apr-19	1,000.00	CRISIL AAA/Stable
NA	Term loan 2*	31-Mar-18	7.85%	19-Apr-19	2,000.00	CRISIL AAA/Stable
NA	Term Loan 3~	08-Jun-18	7.95%	08-Aug-19	2,000.00	CRISIL AAA/Stable
NA	Term Loan 4~	19-Jun-18	7.95%	19-Jun-20	1,800.00	CRISIL AAA/Stable
NA	Term Loan 5~	22-Jun-18	7.95%	19-Jun-20	200	CRISIL AAA/Stable
NA	Term Loan 6~	22-Jun-18	8.05%	22-Jul-19	217.21	CRISIL AAA/Stable
NA	Term Loan 7~	25-Jun-18	8.05%	25-Jul-19	782.79	CRISIL AAA/Stable
NA	Term Loan 8~	29-Jun-18	8.05%	29-Jun-20	236.61	CRISIL AAA/Stable
NA	Term Loan 9~	30-Jun-18	8.05%	29-Jun-20	1,563.39	CRISIL AAA/Stable
NA	Term Loan 10~	30-Jun-18	8.05%	30-Jul-19	2,000.00	CRISIL AAA/Stable
NA	Term Loan 11~	06-Aug-18	8.05%	29-Jun-20	179	CRISIL AAA/Stable
NA	Term Loan 12~	06-Aug-18	8.05%	06-Aug-20	821	CRISIL AAA/Stable
NA	Term Loan 13~	23-Aug-18	8.05%	06-Aug-20	179	CRISIL AAA/Stable
NA	Term Loan 14~	23-Aug-18	8.10%	23-Aug-21	1,000.00	CRISIL AAA/Stable
NA	Term Loan 15~	24-Aug-18	8.10%	24-May-20	2,000.00	CRISIL AAA/Stable
NA	Term Loan 16~	05-Sep-18	8.10%	05-Jun-20	2,000.00	CRISIL AAA/Stable
NA	Term Loan 17~	13-Sep-18	8.20%	13-Sep-20	1,500.00	CRISIL AAA/Stable
NA	Term Loan 18~	14-Sep-18	8.38%	14-Sep-21	800	CRISIL AAA/Stable
NA	Term Loan 19~	27-Sep-18	8.35%	27-Sep-23	5,500.00	CRISIL AAA/Stable
NA	Term Loan 20~	05-Oct-18	8.35%	27-Sep-23	500	CRISIL AAA/Stable
NA	Term Loan 21~	05-Oct-18	8.45%	05-Oct-23	750	CRISIL AAA/Stable
NA	Term Loan 22~	24-Dec-18	8.65%	24-Dec-23	1,000.00	CRISIL AAA/Stable
NA	Term Loan 23~	27-Dec-18	8.11%	27-Dec-28	7,500.00	CRISIL AAA/Stable
NA	Term Loan 24~	28-Dec-18	8.70%	28-Dec-23	500	CRISIL AAA/Stable
NA	Long-term borrowing programme &^	NA	NA	NA	56,000	CRISIL AAA/Stable
NA	Short-term borrowing programme &^	NA	NA	7-365 days	25000	CRISIL A1+
NA	Long-term borrowing programme*^	NA	NA	NA	32,406.83	CRISIL AAA/Stable
NA	Short-term borrowing programme*	NA	NA	7-365 days	20,000.00	CRISIL A1+
NA	Long-term borrowing programme~	NA	NA	NA	42,906.81	CRISIL AAA/Stable
NA	Short-term borrowing programme~	NA	NA	7-365 days	17,000.00	CRISIL A1+
NA	Cash credit#	NA	NA	NA	10,000.00	CRISIL AAA/Stable
NA	Subordinated debt issue^	NA	NA	NA	11,200.00	CRISIL AAA/Stable
NA	Institutional Bonds^	NA	NA	NA	15202	CRISIL AAA/Stable

^Not yet issued
**Part of borrowing programme for fiscal 2018*
~Part of borrowing programme for fiscal 2019
&Part of borrowing programme for fiscal 2020
#Limit for working capital'working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee. Limit includes long-term and short-term facilities. Total working capital borrowing not to exceed board-approved limit of Rs 10,000 crore. However, quantum of sanctioned working capital facilities may be different from the Board-approved limit for outstanding working capital borrowing.

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date
INE134E07513	Institutional bonds	03-Mar-14	9.69%	02-Mar-19
INE134E08HI4	Institutional bonds	16-Apr-15	8.09%	16-May-18
INE134E08HM6	Institutional bonds	28-May-15	8.39%	28-May-18
INE134E08HN4	Institutional bonds	29-Jun-15	8.40%	29-Jun-18
INE134E08IV5	Institutional bonds	07-Mar-17	6.90%	16-Jul-18

Annexure - List of entities consolidated

Consolidated	Extent of consolidation	Rationale for consolidation
PFC Consulting Limited	Full	Subsidiary
PFC Green Energy	Full	Subsidiary
PFC Capital Advisory Services Limited	Full	Subsidiary
Power Equity Capital Advisors (Private) Limited	Full	Subsidiary
Chattisgarh Surguja Power Limited	Full	Subsidiary
Coastal Karnataka Power Limited	Full	Subsidiary
Coastal Maharashtra Mega Power Limited	Full	Subsidiary
Coastal Tamil Nadu Power Limited	Full	Subsidiary
Orissa Integrated Power Limited	Full	Subsidiary
Sakhigopal Integrated Power Company Limited	Full	Subsidiary
Ghogarpalli Integrated Power Company Limited	Full	Subsidiary
Tatiya Andhra Mega Power Limited	Full	Subsidiary
Deoghar Mega Power Limited	Full	Subsidiary
Cheyyur Infra Limited	Full	Subsidiary
Odisha Infrapower Limited	Full	Subsidiary
Deoghar Infrapower Limited	Full	Subsidiary
Bihar Infrapower Limited	Full	Subsidiary
Bihar Mega Power Limited	Full	Subsidiary
Jharkhand Infrapower Limited	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2019 (History)		2018		2017		2016		Start of 2016
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	139452.19 27-03-19	CRISIL AAA/Stable	19-03-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-09-17	CRISIL AAA/Stable	02-12-16	CRISIL AAA/Stable	CRISIL AAA/Stable
				22-02-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-08-17	CRISIL AAA/Stable	07-11-16	CRISIL AAA/Stable	
				15-02-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-07-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						28-03-18	CRISIL AAA/Stable	03-04-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						27-02-18	CRISIL AAA/Stable	08-03-17	CRISIL AAA/Stable	04-08-16	CRISIL AAA/Stable	
								07-03-17	CRISIL AAA/Stable	06-06-16	CRISIL AAA/Stable	
										23-05-16	CRISIL AAA/Stable	
										04-04-16	CRISIL AAA/Stable	
										09-02-16	CRISIL AAA/Stable	
Long-Term Borrowing Programme	LT	74096.37 27-03-19	CRISIL AAA/Stable	19-03-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-09-17	CRISIL AAA/Stable	02-12-16	CRISIL AAA/Stable	CRISIL AAA/Stable
				22-02-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-08-17	CRISIL AAA/Stable	07-11-16	CRISIL AAA/Stable	
				15-02-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-07-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						28-03-18	CRISIL AAA/Stable	03-04-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						27-02-18	CRISIL AAA/Stable	08-03-17	CRISIL AAA/Stable	04-08-16	CRISIL AAA/Stable	
								07-03-17	CRISIL AAA/Stable	06-06-16	CRISIL AAA/Stable	
										23-05-16	CRISIL AAA/Stable	
										04-04-16	CRISIL AAA/Stable	
										09-02-16	CRISIL AAA/Stable	
Short Term Borrowing programme	ST	62000.00	CRISIL A1+	19-03-19	CRISIL A1+	11-12-18	CRISIL A1+	18-09-17	CRISIL A1+	02-12-16	CRISIL A1+	CRISIL A1+
				22-02-19	CRISIL A1+	04-12-18	CRISIL A1+	30-08-17	CRISIL A1+	07-11-16	CRISIL A1+	
				15-02-19	CRISIL A1+	31-10-18	CRISIL A1+	10-07-17	CRISIL A1+	06-10-16	CRISIL A1+	
						28-03-18	CRISIL A1+	03-04-17	CRISIL A1+	06-10-16	CRISIL A1+	
						27-02-18	CRISIL A1+	08-03-17	CRISIL A1+	04-08-16	CRISIL A1+	

								07-03-17	CRISIL A1+	06-06-16	CRISIL A1+	
										23-05-16	CRISIL A1+	
										04-04-16	CRISIL A1+	
										09-02-16	CRISIL A1+	
Subordinated Non-Convertible Debentures	LT	150803.06 27-03-19	CRISIL AAA/Stable	19-03-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-09-17	CRISIL AAA/Stable	02-12-16	CRISIL AAA/Stable	CRISIL AAA/Stable
				22-02-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-08-17	CRISIL AAA/Stable	07-11-16	CRISIL AAA/Stable	
				15-02-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-07-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						28-03-18	CRISIL AAA/Stable	03-04-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						27-02-18	CRISIL AAA/Stable	08-03-17	CRISIL AAA/Stable	04-08-16	CRISIL AAA/Stable	
								07-03-17	CRISIL AAA/Stable	06-06-16	CRISIL AAA/Stable	
										23-05-16	CRISIL AAA/Stable	
										04-04-16	CRISIL AAA/Stable	
										09-02-16	CRISIL AAA/Stable	
Fund-based Bank Facilities	LT/ST	10000.00	CRISIL AAA/Stable	19-03-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-09-17	CRISIL AAA/Stable	02-12-16	CRISIL AAA/Stable	CRISIL AAA/Stable
				22-02-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-08-17	CRISIL AAA/Stable	07-11-16	CRISIL AAA/Stable	
				15-02-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-07-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						28-03-18	CRISIL AAA/Stable	03-04-17	CRISIL AAA/Stable	06-10-16	CRISIL AAA/Stable	
						27-02-18	CRISIL AAA/Stable	08-03-17	CRISIL AAA/Stable	04-08-16	CRISIL AAA/Stable	
								07-03-17	CRISIL AAA/Stable	06-06-16	CRISIL AAA/Stable	
										23-05-16	CRISIL AAA/Stable	
										04-04-16	CRISIL AAA/Stable	
										09-02-16	CRISIL AAA/Stable	

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit*	**10000**	**CRISIL AAA/Stable**	**Cash Credit***	**10000**	**CRISIL AAA/Stable**
Total	**10000**	**--**	**Total**	**10000**	**--**

**Limit for working capital'working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee. Limit includes long-term and short-term facilities. Total working capital borrowing not to exceed board-approved limit of Rs 10,000 crore. However, quantum of sanctioned working capital facilities may be different from the Board-approved limit for outstanding working capital borrowing.*

Links to related criteria
[CRISILs Bank Loan Ratings - process, scale and default recognition]()
[Rating Criteria for Banks and Financial Institutions]()
[CRISILs Criteria for Consolidation]()
[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support]()

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ICRA

ICRA Limited

D/RAT/2019-20/P-3/13

September 13, 2019

Mrs. Parminder Chopra
General Manager (RM-International)
Power Finance Corporation Ltd.
1, Urjanidhi, Barakhamba Lane
Connaught Place, New Delhi- 110001

Dear Madam,

Re: ICRA Credit Rating for the Rs. 56,000 crore Long Term Borrowing Programme of Power Finance Corporation Ltd. for the financial year 2019-20

Please refer to your request dated September 13, 2019 for revalidating the rating letter issued for the captioned programme.

We confirm that the **[ICRA]AAA** (pronounced ICRA triple A) rating assigned to your captioned programme and last communicated to you vide our letter dated August 21, 2019 stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long-term rating is **Stable.**

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA (Stable).**

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. The rating is restricted to your Long-Term Borrowing programme size of Rs. 56,000 crore[1] only. Further the total utilisation of the captioned rated Long-Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short-Term borrowing (including Commercial Paper & Short-term bank borrowings) programme should not exceed Rs. 81,000 crore for financial year 2019-20. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/2018-19/P-3/32 dated March 27, 2019.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
For ICRA Limited

Anil Gupta
Vice President
anilg@icraindia.com

Manushree Saggar
Vice President
manushrees@icraindia.com

[1] *This includes public issue of taxable bonds aggregating upto Rs. 10,000 crore*

Power Finance Corporation Ltd.

March 28, 2019

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term borrowing programme FY2020	-	56,000	[ICRA]AAA (Stable); assigned
Short-term borrowing programme FY2020	-	25,000	[ICRA]A1+; assigned
Overall borrowing programme FY2020	-	81,000	
Long-term/Short-term borrowing programme FY2019	97,000	97,000	[ICRA]AAA reaffirmed; rating watch removed; stable outlook assigned/ [ICRA]A1+ reaffirmed
Long-term/short-term borrowing programmes upto FY2018	3,34,505	3,34,505	[ICRA]AAA reaffirmed; rating watch removed; stable outlook assigned/ [ICRA]A1+ reaffirmed
Fixed deposit programme	-	-	MAAA&; Withdrawn
Total	**4,31,505**	**512,505**	

**Instrument details are provided in Annexure-1; &Under Rating Watch with Developing Implications*

Rationale

ICRA has removed the rating watch on the borrowing programmes of Power Finance Corporation Ltd. (PFC), which were under Watch with Developing Implications. Also, ratings have been reaffirmed following clarity on the acquisition of REC Limited (REC) and the likely impact of the same on PFC's financial profile. ICRA's ratings for PFC's borrowing programmes continue to draw significant strength from the company's sovereign ownership (61.48% held by the Government of India (GoI) as on December 31, 2018) and its important role as a nodal agency for various GoI power sector schemes under Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS).

While reaffirming the ratings, ICRA notes that the acquisition of REC will impact PFC's capitalisation levels as it would have to knock off its investment (in excess of 10% of its net owned funds (NOF)) in REC from its NOF, for capital adequacy calculations. Thus, while the capitalisation level of PFC was characterised by comfortable Tier I capital of 15.95% and CRAR of 18.95% as of December 31, 2018, the cushion will reduce with Tier I capital likely to fall to about 11.5% as of March 31, 2019. However, it will remain above the regulatory threshold of 10%. Additionally, PFC's consolidated leverage would increase from the current gearing level of about 6 times to about 7.5 times in the near term. Thus, the need for external capital could go up for PFC, despite the good internal capital generation, to maintain prudent capitalisation and adequate cushion over and above the regulatory requirement. ICRA believes that prudent capitalisation is a key mitigant against the risks in PFCs portfolio arising out of the sectoral and credit concentration. Nevertheless, based on the discussions with the managements and stakeholders of both the entities, including its principal shareholder, ICRA understands that PFC and REC will remain important vehicles of GoI for implementation of various power sector schemes, and support, in case of need, will be forthcoming from the GoI. Support to REC, if required, will be extended by GoI through PFC. While PFC will become the promoter and the holding company of REC, both the entities will retain the status of a Central Public Sector Enterprise, Public Financial Institution, and Infrastructure Finance Company.

The ratings for PFC also continue to draw comfort from its healthy financial flexibility by virtue of its ownership, and its adequate earnings profile (annualised net profit/average total assets of 2.19% for FY2018 and 2.20% for 9M FY2019), supported by healthy net interest margins (3.22% for FY2018 and 3.32% for 9M FY2019) and low operating costs (0.15% for FY2018 and 0.14% for 9MFY2019). These strengths are partly offset by the company's exposure to a single sector (i.e. power) with a high concentration towards state power utilities, as well as the vulnerability of its exposure to private sector borrowers (17% of the total loan book as on December 31, 2018), as reflected by the asset quality indicators, with Stage 3 assets of 9.47% of total advances as of December 31, 2018. Also, with PFC and REC becoming a part of same group, there could be some challenges in the incremental fund-raising owing to group exposure limits that the lenders might have. However, the impact of the same would only be visible only over the medium term. Overall, PFC's ability to grow its loan book while maintaining adequate profitability and controlling credit costs would be the key rating sensitivity, going forward.

Outlook: Stable

The Stable outlook reflects ICRA's expectation that PFC along with REC will remain important to the GoI and will continue play a major role in various power sector schemes of the government. Consequently, PFC and REC are likely to retain dominant position in the power sector financing, while maintaining adequate profitability, borrowing and capitalization profile. The outlook on may be revised to Negative in case of significant deterioration in the company's asset quality or solvency profile. Also, any significant dilution in the GoI's stake or change in ownership, a change in PFC's strategic role or a sustained decline in the profitability could warrant a rating/outlook change.

Key rating drivers

Credit strengths

Majority ownership by GoI and strategic importance given the role played in implementing various GoI schemes: Being a nodal agency for implementing various GoI schemes aimed at developing the country's power sector (such as UMPPs and IPDS), PFC remains strategically important to the GOI for achieving its objective of augmenting power capacity across the country. Further, the GoI remains a majority shareholder in the company, with a stake of 61.48% as of December 31, 2018, and has representation on the company's board. Given the government support, PFC has been able to raise funds at competitive rates. Precedents wherein it has received approvals from GOI to raise tax-free and 54EC low-cost capital gain bonds, provides comfort with respect to its financial flexibility and ability to raise low cost of funds. ICRA notes that ~71% of PFC's outstanding borrowings as on December 31, 2018, were in the form of long-term bonds, which augur well for the maturity profile of its assets.

Experienced management and operational team - PFC has an experienced management team with the senior team having an experience of more than 30 years in power financing. The company's well laid-out credit appraisal and monitoring systems have enabled it to establish itself as a preferred lender with dominant position in the power sector financing. ICRA notes that the acquisition of REC by PFC will further strengthen its position, while supporting better portfolio diversity compared to individual entities. Traditionally, PFC was largely funding generation projects while REC was more focused on transmission and distribution segment, though over the years, the distinction got blurred.

Adequate profitability profile – PFC's yield moderated to 9.83% in 9MFY2019 from 9.91% and 10.91% in FY2018 and FY2017, respectively, on account of a decline in systemic interest rates. The cost of funds, however, witnessed a lower decline, leading to a decline in spreads. Consequently, net interest margins (NIMs) stood at 2.98% in 9M FY2019 compared to 3.22% and 3.94% in FY2018 and FY2017 respectively. Nevertheless, the company's profitability remains adequate with return on assets of 2.20% and return on equity of 15.86% in 9M FY2019. Incrementally, PFC is likely to maintain a spread of 2.5-3% on its lending. ICRA however notes that PFC's credit costs could increase if it is unable to recover effectively from stressed assets, thereby adversely impacting the profitability.

Credit challenges

Moderation of the capitalisation level on acquisition of REC – ICRA notes that the acquisition of REC will impact PFC's capitalisation level as it would have to knock off its investment (in excess of 10% of its net owned funds) in REC from its net owned funds, for capital adequacy calculations. Thus, while the capitalisation level of PFC was characterized by comfortable Tier I capital of 15.95% and CRAR of 18.95% as of December 31, 2018, the cushion will stand reduced with Tier I capital likely to fall to about 11.5% as of March 31, 2019, though it will remain above the regulatory threshold of 10%. Additionally, the consolidated leverage for PFC would also increase from current gearing level of about 6 times to about 7.5 times in the near term. Thus, the need for external capital could go up for PFC, despite the good internal capital generation, to maintain prudent capitalisation and adequate cushion over and above the regulatory requirement. ICRA believes that prudent capitalisation is a key mitigant against the risks in PFCs portfolio arising out of the sectoral and credit concentration.

High concentration risk and portfolio vulnerability - PFC's exposure to a single sector (i.e. power), large ticket size of loans, high concentration of exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers (17% of the book as on December 31, 2018) increases its portfolio vulnerability. The risk is further heightened as PFC is exempt from the concentration norms applicable to non-banking finance companies, and thus has significantly concentrated exposures. PFC's independent power producer (IPP) portfolio remains impacted by concerns regarding fuel availability, disputed and competitive power sale tariffs, absence of power purchase agreements (PPAs), environmental clearance and land acquisition issues. ICRA notes that PFC's Gross Stage III assets stood at 9.47% though net Stage III assets were lower at 4.55% as on December 31, 2018 on account of increased provisioning following the transition to IND-AS. Around 55% of the private sector book was recognised as a part of Stage 3 assets on which the company made provisions of 52%. PFC might have to create additional provisions if it is unable to effectively resolve the stressed assets. ICRA however believes that any stress in the loan book is likely to be restricted to PFC's private sector book (17% of the total portfolio as on December 31, 2018). Moreover, with PFC not sanctioning new private sector thermal projects in the last five years and focussing on solar and wind projects, the vulnerability of the IPP book is expected to improve from the current levels in the medium term. Overall, the company's ability to grow its loan book, while maintaining adequate profitability and controlling credit costs, would be imperative, going forward.

Liquidity position

PFC's Asset Liability Maturity (ALM) profile remains adequate with sufficient unutilised bank lines to manage mismatches in ALM buckets up to one year. The company typically has cumulative negative mismatch (2.6% of the total assets as of December 31, 2018) in the buckets up to one year given the relatively long tenure of its assets. Nevertheless, healthy financial flexibility supported by the sovereign ownership and availability of sufficient unutilised bank lines provide comfort. Also, the company continues to tap debt capital markets for fresh borrowings. About Rs. 12,123 crore and Rs. 8,416 crore were raised as Commercial Paper (CP) and Non-Convertible Debentures (NCD), respectively, during the period January 31, 2019 to March 19, 2019, besides term loans of about Rs. 7,950 crore raised over the same period. Supported by the aforesaid borrowings, the company was able to build cash & liquid balances of about Rs. 15, 204 crore prior to the signing of the share purchase agreement for acquisition of REC. This coupled with unutilised bank lines of about Rs. 8,120 crore is expected to support the payment of cash purchase consideration for acquisition of REC, besides providing adequate liquidity cushion for managing ALM mismatches in the near term.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies
Parent/Group Support	The ratings derive strength from PFC's majority ownership by the GoI (61.48% as on December 31, 2018), and its important role as a nodal agency for various power sector schemes of the Government. The GoI ownership supports PFC's financial flexibility.
Consolidation / Standalone	The ratings are based on a limited consolidation of the standalone profiles of PFC and REC.

About the company

PFC, incorporated in 1986, is a non-banking financial company with infrastructure finance company status. It was set up by the Government of India (GoI) as a specialised development financial institution to fund projects in the domestic power sector. The GoI held a 61.48% stake in the company as on December 31, 2018. PFC provides loans for a range of power-sector activities including generation, distribution, transmission, and plant renovation and maintenance. It finances state sector entities including generating and distribution companies as well as Independent Power Producers (IPPs). PFC is also the nodal agency for the development of Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS), and it is also the bid process coordinator for the Independent Transmission Projects (ITP) scheme.

PFC reported a profit after tax (PAT) of Rs. 5,855 crore in FY2018 compared to PAT of Rs. 2,126 crore in FY2017. It reported PAT of Rs. 4,804 crore in 9M FY2019. As of December 31, 2018, PFC's reported capital adequacy was 18.95%, and it had a total loan book of Rs. 2,98,128 crore (Rs. 2,62,109 crore as of December 31, 2017). PFC's exposure to state power utilities and Central and joint sector entities accounts for 83% of its total advances.

On March 20, 2019, PFC signed a share purchase agreement to acquire 103.94 crore equity shares of REC Limited (REC) from the President of India constituting 52.63% of the paid-up share capital of REC. The cash purchase consideration for the transaction is Rs. 139.50 per share, implying a total acquisition cost of ~Rs. 14,500 crore. On consummation of this transaction, PFC will become the promoter and holding company of REC.

Key financial indicators* (audited)

	FY2017	FY2018	9MFY19
Total Income	27,019	26,738	21,384
PAT	2,126	5,855	4,804
Net Worth	36,470	39,861	40,932
Loan Book	2,45,525	2,78,915	2,98,128
CRAR	19.28%	19.99%	18.95%
Tier I	16.20%	16.98%	15.95%
Gearing (times)	5.82	5.95	6.26
Return on Net Worth (%)	5.89%	15.34%	15.86%
Gross NPAs (%)	12.50%	9.57%	9.47%
Net NPAs (%)	10.55%	7.39%	4.55%
Net NPA/Net Worth	69%	52%	33%

*Source: PFC; Amounts in Rs. crore; *Standalone*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2019)										Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating							Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
					Mar-19	Mar-19	Feb-19	Dec-18	Dec-18	Nov-18	Apr-18	Apr-17	Apr-16	Apr-15
1	LT/ST borrowing programme for FY2020	LT/ST	81,000	-	[ICRA]AAA (Stable)/ A1+	-	-	-	-	-	-	-	-	-
2	LT/ST borrowing programme for FY2019	LT/ST	97,000	97,000	[ICRA]AAA (Stable)/A1+	[ICRA]AAA&/A1+	[ICRA]AAA&/A1+	[ICRA]AAA&/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	-	-	-
3	LT/ST borrowing programmes upto FY2018	LT/ST	334,505	229,538*	[ICRA]AAA (Stable)/A1+	[ICRA]AAA&/A1+	[ICRA]AAA&/A1+	[ICRA]AAA&/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+	[ICRA]AAA (Stable)/A1+
4	Fixed deposit programme	MT	-	-	Withdrawn	MAAA &	MAAA &	MAAA &	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)

Note: LT: Long-term, ST: Short-term, MT; Medium-term; Long-term/short-term borrowing programmes include bonds, commercial papers, bank lines and other instruments
*&Under Rating Watch with Developing Implications; *As of March 31, 2018*
Source: ICRA research

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in.

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE134E08693	NCD	30-Dec-02	8.10%	30-Dec-22	750.00	[ICRA]AAA (Stable)
INE134E08925	NCD	31-May-06	8.85%	31-May-21	600.00	[ICRA]AAA (Stable)
INE134E08BO5	NCD	7-Aug-09	8.60%	7-Aug-19	866.50	[ICRA]AAA (Stable)
INE134E08BP2	NCD	7-Aug-09	8.60%	7-Aug-24	866.50	[ICRA]AAA (Stable)
INE134E08BT4	NCD	15-Oct-09	8.80%	15-Oct-19	1216.60	[ICRA]AAA (Stable)
INE134E08CK1	NCD	20-Nov-09	1YINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00	[ICRA]AAA (Stable)
INE134E08CM7	NCD	15-Dec-09	8.50%	15-Dec-19	351.00	[ICRA]AAA (Stable)
INE134E08CN5	NCD	15-Dec-09	8.50%	15-Dec-24	351.00	[ICRA]AAA (Stable)
INE134E08CO3	NCD	15-Jan-10	8.70%	15-Jan-20	845.40	[ICRA]AAA (Stable)
INE134E08CP0	NCD	15-Jan-10	8.80%	15-Jan-25	1172.60	[ICRA]AAA (Stable)
INE134E08CR6	NCD	15-Mar-10	8.90%	15-Mar-20	184.00	[ICRA]AAA (Stable)
INE134E08CS4	NCD	15-Mar-10	8.90%	15-Mar-25	184.00	[ICRA]AAA (Stable)
INE134E08CU0	NCD	30-Mar-10	8.95%	30-Mar-20	492.00	[ICRA]AAA (Stable)
INE134E08CV8	NCD	30-Mar-10	8.95%	30-Mar-25	492.00	[ICRA]AAA (Stable)
INE134E08CX4	NCD	14-May-10	8.70%	14-May-20	1337.50	[ICRA]AAA (Stable)
INE134E08CY2	NCD	14-May-10	8.70%	14-May-25	1337.50	[ICRA]AAA (Stable)
INE134E08CZ9	NCD	15-Jun-10	8.65%	15-Jun-20	500.00	[ICRA]AAA (Stable)
INE134E08DA0	NCD	15-Jun-10	8.75%	15-Jun-25	1532.00	[ICRA]AAA (Stable)
INE134E08DB8	NCD	15-Jun-10	8.85%	15-Jun-30	633.00	[ICRA]AAA (Stable)
INE134E08DE2	NCD	4-Aug-10	8.70%	15-Jul-20	1424.00	[ICRA]AAA (Stable)
INE134E08DG7	NCD	15-Nov-10	8.78%	15-Nov-20	1549.00	[ICRA]AAA (Stable)
INE134E08DH5	NCD	15-Dec-10	9.05%	15-Dec-20	192.70	[ICRA]AAA (Stable)
INE134E08DI3	NCD	15-Dec-10	9.05%	15-Dec-25	192.70	[ICRA]AAA (Stable)
INE134E08DJ1	NCD	15-Dec-10	9.05%	15-Dec-30	192.70	[ICRA]AAA (Stable)
INE134E08DL7	NCD	14-Jan-11	8.99%	15-Jan-21	1219.00	[ICRA]AAA (Stable)
INE134E08DM5	NCD	15-Apr-11	9.18%	15-Apr-21	1000.00	[ICRA]AAA (Stable)
INE134E08DN3	NCD	9-Jun-11	9.70%	9-Jun-21	1693.20	[ICRA]AAA (Stable)
INE134E08DQ6	NCD	29-Jun-11	9.61%	29-Jun-21	2084.70	[ICRA]AAA (Stable)
INE134E08DR4	NCD	1-Aug-11	9.36%	1-Aug-21	2589.40	[ICRA]AAA (Stable)
INE134E08DS2	NCD	1-Aug-11	9.46%	1-Aug-26	1105.00	[ICRA]AAA (Stable)
INE134E08DU8	NCD	1-Sep-11	9.45%	1-Sep-26	2568.00	[ICRA]AAA (Stable)
INE134E07117	NCD	15-Oct-11	7.51%	15-Oct-21	205.23	[ICRA]AAA (Stable)
INE134E07125	NCD	15-Oct-11	7.75%	15-Oct-26	217.99	[ICRA]AAA (Stable)
INE134E07133	NCD	25-Nov-11	8.09%	25-Nov-21	334.31	[ICRA]AAA (Stable)
INE134E07141	NCD	25-Nov-11	8.16%	25-Nov-26	209.34	[ICRA]AAA (Stable)
INE134E08EA8	NCD	15-Dec-11	9.70%	15-Dec-18	2060.00	[ICRA]AAA (Stable)
INE134E08EG5	NCD	6-Mar-12	9.30%	15-Apr-20	79.50	[ICRA]AAA (Stable)
INE134E08EH3	NCD	6-Mar-12	9.26%	15-Apr-23	736.00	[ICRA]AAA (Stable)
INE134E08EL5	NCD	20-Mar-12	9.42%	20-Mar-20	650.80	[ICRA]AAA (Stable)
INE134E08EO9	NCD	28-Mar-12	9.48%	15-Apr-22	184.70	[ICRA]AAA (Stable)
INE134E08EU6	NCD	29-Jun-12	9.39%	29-Jun-22	2695.20	[ICRA]AAA (Stable)
INE134E08EX0	NCD	21-Aug-12	9.29%	21-Aug-22	640.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE134E07299	NCD	22-Nov-12	7.21%	22-Nov-22	255.00	[ICRA]AAA (Stable)
INE134E07307	NCD	22-Nov-12	7.38%	22-Nov-27	25.00	[ICRA]AAA (Stable)
INE134E07315	NCD	29-Nov-12	7.22%	29-Nov-22	30.00	[ICRA]AAA (Stable)
INE134E07323	NCD	29-Nov-12	7.38%	29-Nov-27	100.00	[ICRA]AAA (Stable)
INE134E08FE7	NCD	8-Feb-13	8.72%	8-Feb-19	324.00	[ICRA]AAA (Stable)
INE134E08FG2	NCD	20-Feb-13	8.82%	20-Feb-20	733.00	[ICRA]AAA (Stable)
INE134E08FI8	NCD	4-Mar-13	8.86%	4-Mar-20	54.30	[ICRA]AAA (Stable)
INE134E08FJ6	NCD	4-Mar-13	8.84%	4-Mar-23	1310.00	[ICRA]AAA (Stable)
INE134E08FL2	NCD	11-Mar-13	9.00%	11-Mar-28	1370.00	[ICRA]AAA (Stable)
INE134E08FN8	NCD	18-Mar-13	8.90%	18-Mar-23	403.00	[ICRA]AAA (Stable)
INE134E08FO6	NCD	18-Mar-13	8.90%	18-Mar-28	403.00	[ICRA]AAA (Stable)
INE134E08FP3	NCD	18-Mar-13	8.87%	18-Mar-23	70.00	[ICRA]AAA (Stable)
INE134E08FQ1	NCD	25-Mar-13	8.94%	25-Mar-28	2807.00	[ICRA]AAA (Stable)
INE134E08FT5	NCD	14-Jun-13	8.19%	14-Jun-23	800.00	[ICRA]AAA (Stable)
INE134E07372	NCD	30-Aug-13	8.01%	30-Aug-23	113.00	[ICRA]AAA (Stable)
INE134E07380	NCD	30-Aug-13	8.46%	30-Aug-28	1011.10	[ICRA]AAA (Stable)
INE134E08FW9	NCD	13-Jan-14	9.65%	13-Jan-24	1000.00	[ICRA]AAA (Stable)
INE134E07489	NCD	31-Jan-14	9.70%	31-Jan-19	270.00	[ICRA]AAA (Stable)
INE134E07497	NCD	31-Jan-14	9.70%	31-Jan-20	270.00	[ICRA]AAA (Stable)
INE134E07505	NCD	31-Jan-14	9.70%	31-Jan-21	270.00	[ICRA]AAA (Stable)
INE134E07513	NCD	3-Mar-14	9.69%	2-Mar-19	2240.00	[ICRA]AAA (Stable)
INE134E08FX7	NCD	21-Feb-14	9.70%	21-Feb-24	2000.00	[ICRA]AAA (Stable)
INE134E08FZ2	NCD	7-Jul-14	9.15%	7-Jul-19	100.00	[ICRA]AAA (Stable)
INE134E08GA3	NCD	7-Jul-14	9.20%	7-Jul-21	700.00	[ICRA]AAA (Stable)
INE134E08GD7	NCD	19-Aug-14	9.37%	19-Aug-24	855.00	[ICRA]AAA (Stable)
INE134E08GF2	NCD	27-Aug-14	9.39%	27-Aug-19	460.00	[ICRA]AAA (Stable)
INE134E08GG0	NCD	27-Aug-14	9.39%	27-Aug-24	460.00	[ICRA]AAA (Stable)
INE134E08GH8	NCD	27-Aug-14	9.39%	27-Aug-29	460.00	[ICRA]AAA (Stable)
INE134E08GJ4	NCD	17-Sep-14	9.32%	17-Sep-19	1591.00	[ICRA]AAA (Stable)
INE134E08GK2	NCD	8-Oct-14	8.98%	8-Oct-24	961.00	[ICRA]AAA (Stable)
INE134E08GL0	NCD	8-Oct-14	8.98%	8-Oct-24	950.00	[ICRA]AAA (Stable)
INE134E08GN6	NCD	21-Oct-14	8.96%	21-Oct-19	1100.00	[ICRA]AAA (Stable)
INE134E08GO4	NCD	7-Nov-14	8.76%	7-Nov-19	1000.00	[ICRA]AAA (Stable)
INE134E08GQ9	NCD	28-Nov-14	8.65%	28-Nov-19	836.00	[ICRA]AAA (Stable)
INE134E08GR7	NCD	28-Nov-14	8.66%	27-Nov-21	200.00	[ICRA]AAA (Stable)
INE134E08GS5	NCD	9-Dec-14	8.52%	9-Dec-19	1220.00	[ICRA]AAA (Stable)
INE134E08GT3	NCD	9-Dec-14	8.55%	9-Dec-21	1200.00	[ICRA]AAA (Stable)
INE134E08GU1	NCD	9-Dec-14	8.48%	9-Dec-24	1000.00	[ICRA]AAA (Stable)
INE134E08GV9	NCD	29-Dec-14	8.65%	28-Dec-24	2826.00	[ICRA]AAA (Stable)
INE134E08GW7	NCD	5-Jan-15	8.65%	4-Jan-25	5000.00	[ICRA]AAA (Stable)
INE134E08GX5	NCD	26-Feb-15	8.36%	26-Feb-20	4440.00	[ICRA]AAA (Stable)
INE134E08GY3	NCD	10-Mar-15	8.20%	10-Mar-25	1600.00	[ICRA]AAA (Stable)
INE134E08HC7	NCD	19-Mar-15	8.42%	18-Apr-20	200.00	[ICRA]AAA (Stable)
INE134E08HD5	NCD	19-Mar-15	8.39%	19-Apr-25	925.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE134E08HF0	NCD	27-Mar-15	8.38%	27-Apr-20	1350.00	[ICRA]AAA (Stable)
INE134E08HG8	NCD	27-Mar-15	8.41%	27-Mar-25	5000.00	[ICRA]AAA (Stable)
INE134E08HO2	NCD	29-Jun-15	8.50%	29-Jun-19	1500.00	[ICRA]AAA (Stable)
INE134E07521	NCD	17-Jul-15	7.16%	17-Jul-25	300.00	[ICRA]AAA (Stable)
INE134E08HP9	NCD	24-Jul-15	8.53%	24-Jul-20	2700.00	[ICRA]AAA (Stable)
INE134E08HQ7	NCD	10-Aug-15	8.45%	10-Aug-20	1000.00	[ICRA]AAA (Stable)
INE134E08HV7	NCD	4-Sep-15	8.36%	4-Sep-20	1250.00	[ICRA]AAA (Stable)
INE134E08HW5	NCD	18-Sep-15	8.46%	18-Sep-20	1000.00	[ICRA]AAA (Stable)
INE134E08HX3	NCD	18-Sep-15	8.40%	18-Sep-25	1000.00	[ICRA]AAA (Stable)
INE134E08IA9	NCD	28-Jan-16	8.12%	28-Feb-19	700.00	[ICRA]AAA (Stable)
INE134E08IC5	NCD	13-Apr-16	7.85%	15-Apr-19	2928.00	[ICRA]AAA (Stable)
INE134E08ID3	NCD	27-Apr-16	8.05%	27-Apr-21	300.00	[ICRA]AAA (Stable)
INE134E08IE1	NCD	2-May-16	8.03%	2-May-26	1000.00	[ICRA]AAA (Stable)
INE134E08IF8	NCD	13-May-16	7.95%	13-May-19	1915.00	[ICRA]AAA (Stable)
INE134E08IG6	NCD	31-May-16	8.04%	30-May-20	100.00	[ICRA]AAA (Stable)
INE134E08IH4	NCD	16-Aug-16	7.50%	16-Aug-21	2660.00	[ICRA]AAA (Stable)
INE134E08II2	NCD	16-Aug-16	7.63%	14-Aug-26	1675.00	[ICRA]AAA (Stable)
INE134E08IJ0	NCD	16-Sep-16	7.47%	16-Sep-21	2260.00	[ICRA]AAA (Stable)
INE134E08IK8	NCD	16-Sep-16	7.56%	16-Sep-26	210.00	[ICRA]AAA (Stable)
INE134E08IL6	NCD	26-Sep-16	7.55%	25-Sep-26	4000.00	[ICRA]AAA (Stable)
INE134E08IM4	NCD	30-Sep-16	7.40%	30-Sep-21	1830.00	[ICRA]AAA (Stable)
INE134E08IN2	NCD	22-Dec-16	7.27%	22-Dec-21	1101.00	[ICRA]AAA (Stable)
INE134E08IO0	NCD	5-Jan-17	7.23%	5-Jan-27	2635.00	[ICRA]AAA (Stable)
INE134E08IP7	NCD	11-Jan-17	7.10%	11-Jan-27	200.00	[ICRA]AAA (Stable)
INE134E08IQ5	NCD	17-Jan-17	6.83%	15-Apr-20	2000.00	[ICRA]AAA (Stable)
INE134E08IR3	NCD	20-Jan-17	7.18%	20-Jan-27	1335.00	[ICRA]AAA (Stable)
INE134E08IS1	NCD	15-Feb-17	7.05%	15-May-20	2551.00	[ICRA]AAA (Stable)
INE134E08IT9	NCD	20-Feb-17	7.60%	20-Feb-27	1465.00	[ICRA]AAA (Stable)
INE134E08IW3	NCD	17-Mar-17	7.50%	17-Sep-20	2435.00	[ICRA]AAA (Stable)
INE134E08IX1	NCD	22-Mar-17	7.75%	22-Mar-27	2000.00	[ICRA]AAA (Stable)
INE134E08IY9	NCD	27-Mar-17	7.42%	26-Jun-20	3605.00	[ICRA]AAA (Stable)
INE134E08IZ6	NCD	5-May-17	7.46%	5-Jun-20	1180.00	[ICRA]AAA (Stable)
INE134E08JA7	NCD	30-May-17	7.30%	30-Jun-20	1560.00	[ICRA]AAA (Stable)
INE134E08JB5	NCD	12-Jun-17	7.28%	10-Jun-22	1950.00	[ICRA]AAA (Stable)
INE134E08JC3	NCD	12-Jun-17	7.44%	11-Jun-27	1540.00	[ICRA]AAA (Stable)
INE134E08JD1	NCD	8-Aug-17	7.10%	8-Aug-22	3395.00	[ICRA]AAA (Stable)
INE134E08JE9	NCD	8-Aug-17	7.30%	7-Aug-27	1500.00	[ICRA]AAA (Stable)
INE134E08JF6	NCD	22-Nov-17	7.35%	22-Nov-22	800.00	[ICRA]AAA (Stable)
INE134E08JG4	NCD	22-Nov-17	7.65%	22-Nov-27	2001.00	[ICRA]AAA (Stable)
INE134E08JH2	NCD	15-Dec-17	7.62%	15-Dec-27	5000.00	[ICRA]AAA (Stable)
INE134E08JI0	NCD	30-Jan-18	7.74%	29-Jan-28	850.00	[ICRA]AAA (Stable)
INE134E08JJ8	NCD	12-Feb-18	7.73%	12-Mar-21	505.00	[ICRA]AAA (Stable)
INE134E08JK6	NCD	12-Feb-18	7.73%	5-Apr-21	1325.00	[ICRA]AAA (Stable)
INE134E08JL4	NCD	8-Mar-18	7.80%	7-Jun-19	3300.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE134E08JM2	NCD	15-Mar-18	7.75%	15-Apr-21	600.00	[ICRA]AAA (Stable)
INE134E08JN0	NCD	20-Mar-18	7.53%	20-Jan-20	1500.00	[ICRA]AAA (Stable)
INE134E08JO8	NCD	20-Mar-18	7.99%	20-Dec-22	1295.00	[ICRA]AAA (Stable)
INE134E08JP5	NCD	3-Apr-18	7.85%	3-Apr-28	3855.00	[ICRA]AAA (Stable)
INE134E08JQ3	NCD	10-Oct-18	8.95%	10-Oct-28	3000.00	[ICRA]AAA (Stable)
INE134E08JR1	NCD	19-Nov-18	8.67%	19-Nov-28	1007.40	[ICRA]AAA (Stable)
INE134E08JS9	NCD	19-Nov-18	8.64%	19-Nov-33	528.40	[ICRA]AAA (Stable)
INE134E07075	NCD	31-Mar-11	8.30%	31-Mar-21	49.95	[ICRA]AAA (Stable)
INE134E07083	NCD	31-Mar-11	8.30%	31-Mar-21	109.11	[ICRA]AAA (Stable)
INE134E07091	NCD	31-Mar-11	8.50%	31-Mar-26	5.27	[ICRA]AAA (Stable)
INE134E07109	NCD	31-Mar-11	8.50%	31-Mar-26	19.33	[ICRA]AAA (Stable)
INE134E07158	NCD	21-Nov-11	8.50%	21-Nov-21	21.85	[ICRA]AAA (Stable)
INE134E07166	NCD	21-Nov-11	8.50%	21-Nov-21	36.34	[ICRA]AAA (Stable)
INE134E07174	NCD	21-Nov-11	8.75%	21-Nov-26	2.86	[ICRA]AAA (Stable)
INE134E07182	NCD	21-Nov-11	8.75%	21-Nov-26	7.77	[ICRA]AAA (Stable)
INE134E07216	NCD	30-Mar-12	8.43%	30-Mar-22	7.39	[ICRA]AAA (Stable)
INE134E07224	NCD	30-Mar-12	8.43%	30-Mar-22	15.47	[ICRA]AAA (Stable)
INE134E07232	NCD	30-Mar-12	8.72%	30-Mar-27	0.87	[ICRA]AAA (Stable)
INE134E07240	NCD	30-Mar-12	8.72%	30-Mar-27	2.40	[ICRA]AAA (Stable)
INE134E07190	NCD	1-Feb-12	8.20%	1-Feb-22	2752.55	[ICRA]AAA (Stable)
INE134E07208	NCD	1-Feb-12	8.30%	1-Feb-27	1280.58	[ICRA]AAA (Stable)
INE134E07331	NCD	4-Jan-13	7.19%	4-Jan-23	189.57	[ICRA]AAA (Stable)
INE134E07331	NCD	4-Jan-13	7.69%	4-Jan-23	153.18	[ICRA]AAA (Stable)
INE134E07349	NCD	4-Jan-13	7.36%	4-Jan-28	155.23	[ICRA]AAA (Stable)
INE134E07349	NCD	4-Jan-13	7.86%	4-Jan-28	201.77	[ICRA]AAA (Stable)
INE134E07356	NCD	28-Mar-13	6.88%	28-Mar-23	50.93	[ICRA]AAA (Stable)
INE134E07356	NCD	28-Mar-13	7.38%	28-Mar-23	45.23	[ICRA]AAA (Stable)
INE134E07364	NCD	28-Mar-13	7.04%	28-Mar-23	7.78	[ICRA]AAA (Stable)
INE134E07364	NCD	28-Mar-13	7.54%	28-Mar-23	61.42	[ICRA]AAA (Stable)
INE134E07414	NCD	16-Nov-13	8.18%	16-Nov-23	325.08	[ICRA]AAA (Stable)
INE134E07422	NCD	16-Nov-13	8.43%	16-Nov-23	335.47	[ICRA]AAA (Stable)
INE134E07430	NCD	16-Nov-13	8.54%	16-Nov-23	932.70	[ICRA]AAA (Stable)
INE134E07448	NCD	16-Nov-13	8.79%	16-Nov-28	353.32	[ICRA]AAA (Stable)
INE134E07455	NCD	16-Nov-13	8.67%	16-Nov-33	1067.38	[ICRA]AAA (Stable)
INE134E07463	NCD	16-Nov-13	8.92%	16-Nov-33	861.96	[ICRA]AAA (Stable)
INE134E07539	NCD	17-Oct-15	7.11%	17-Oct-25	75.10	[ICRA]AAA (Stable)
INE134E07547	NCD	17-Oct-15	7.36%	17-Oct-25	79.35	[ICRA]AAA (Stable)
INE134E07554	NCD	17-Oct-15	7.27%	17-Oct-30	131.33	[ICRA]AAA (Stable)
INE134E07562	NCD	17-Oct-15	7.52%	17-Oct-30	45.18	[ICRA]AAA (Stable)
INE134E07570	NCD	17-Oct-15	7.35%	17-Oct-35	213.57	[ICRA]AAA (Stable)
INE134E07588	NCD	17-Oct-15	7.60%	17-Oct-35	155.48	[ICRA]AAA (Stable)
INE134E07596	NCD	31-Jul-17	5.25%	31-Jul-20	18.26	[ICRA]AAA (Stable)
INE134E07604	NCD	31-Aug-17	5.25%	31-Aug-20	13.89	[ICRA]AAA (Stable)
INE134E07612	NCD	30-Sep-17	5.25%	30-Sep-20	20.52	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE134E07620	NCD	31-Oct-17	5.25%	31-Oct-20	20.50	[ICRA]AAA (Stable)
INE134E07638	NCD	30-Nov-17	5.25%	30-Nov-20	33.55	[ICRA]AAA (Stable)
INE134E07646	NCD	31-Dec-17	5.25%	31-Dec-20	33.76	[ICRA]AAA (Stable)
INE134E07653	NCD	31-Jan-18	5.25%	31-Jan-21	25.93	[ICRA]AAA (Stable)
INE134E07661	NCD	28-Feb-18	5.25%	28-Feb-21	37.95	[ICRA]AAA (Stable)
INE134E07679	NCD	31-Mar-18	5.25%	31-Mar-21	87.79	[ICRA]AAA (Stable)
INE134E07687	NCD	30-Apr-18	5.75%	30-Apr-23	6.54	[ICRA]AAA (Stable)
INE134E07695	NCD	31-May-18	5.75%	31-May-23	7.04	[ICRA]AAA (Stable)
INE134E07703	NCD	30-Jun-18	5.75%	30-Jun-23	10.11	[ICRA]AAA (Stable)
INE134E07711	NCD	31-Jul-18	5.75%	31-Jul-23	14.32	[ICRA]AAA (Stable)
INE134E07729	NCD	31-Aug-18	5.75%	31-Aug-23	15.95	[ICRA]AAA (Stable)
INE134E07737	NCD	30-Sep-18	5.75%	30-Sep-23	26.03	[ICRA]AAA (Stable)
INE134E07745	NCD	31-Oct-18	5.75%	31-Oct-23	32.95	[ICRA]AAA (Stable)
INE134E07752	NCD	30-Nov-18	5.75%	30-Nov-23	15.07	[ICRA]AAA (Stable)
Borrowing Programme FY2019	NA	NA	NA	NA	96,871.99	[ICRA]AAA (Stable) /[ICRA]A1+
Borrowing Programme FY2020	NA	NA	NA	NA	81,000.00	[ICRA]AAA (Stable) /[ICRA]A1+

Source: PFC

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Annexure-2: List of entities considered for consolidation

Company Name	Ownership	Consolidation Approach
Power Finance Corporation Ltd	Rated Entity	Rated Entity
REC Limited	Subsidiary	Limited Consolidation

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999

ANNEXURE B: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

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CL/MUM/19-20/BT/134
September 6, 2019

To,
Power Finance Corporation Limited
Urjanidhi
1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001, India

Dear Sir(s),

Re: **Proposed Public Issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") by Power Finance Corporation Limited ("Company") in one or more tranches from time to time ("Issue")**

We, the undersigned, have been appointed by the Issuer as the Debenture Trustee to the Issue in accordance with regulation 4(4) of SEBI (Issue and Listing of Debt Securities), 2008. We hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed for receiving public comments with the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and Tranche Prospectus(es) to be filed with the Registrar of Companies, National Capital Territory of New Delhi and Haryana ("**RoC**"), Stock Exchanges and to SEBI in respect of the Issue and also in all related advertisements or subsequent periodical communications or filings pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Beacon Trusteeship Limited
Address:	4 C & D, Siddhivinayak Chambers, opp. MIG Cricket Club, Bandra (East), Mumbai 400051
Tel:	022-26558759
Fax:	-
E-mail:	compliance@beacontrustee.co.in
Investor Grievance Email ID	investorgrievances@beacontrustee.co.in
Website:	www.beacontrustee.co.in
Contact Person:	Ms. Vaishali Urkude
SEBI Registration Number:	IND000000569
Logo	BEACON TRUSTEESHIP

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory or statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

Beacon Trusteeship Limited

We confirm that we will immediately inform you and the lead managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the lead managers and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Beacon Trusteeship Limited
Name: Vaishali Urkude
Designation: Director & COO

CC:

Trust Investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051,
Maharashtra, India

A. K. Capital Services Limited
30-38, Free Press House,
3rd Floor, Free Press Journal Marg,
215, Nariman Point,
Mumbai, 400 021,
Maharashtra, India.

Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai 400 098,
Maharashtra, India

ICICI Bank Limited
ICICI Bank Towers,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051
Maharashtra, India

JM Financial Limited
7th Floor,
Cnergy, Appasaheb Marathe Marg
Prabhadevi,
Mumbai - 400 025
Maharashtra, India

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai - 400 005
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000257

(विनियम 8)
(Regulation 8)

INITIAL REGISTRATION

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

BEACON TRUSTEESHIP LIMITED
3, PRABHAT KUNJ,
PRABHAT COLONY,
SANTACRUZ EAST
Mumbai 400055
Maharashtra India

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट **IND000000569** है।
2) Registration Code for the debenture trustee is

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid from 11/04/2016 to 10/04/2021, unless suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**
तारीख Date : **APRIL 11, 2016**

MJSonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

BEACON TRUSTEESHIP LTD

CERTIFIED TRUE COPY

BEACON

Annexure B

September 6, 2019

To,
Power Finance Corporation Limited
Urjanidhi
1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001, India

Dear Sir/ Madam,

Sub: Proposed Public Issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") by Power Finance Corporation Limited ("Company") in one or more tranches from time to time ("Issue")

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Registration Number	**IND000000569**
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	**April 11, 2016**
3.	Date of expiry of registration	**April 10, 2021**
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	**NIL**
5.	Details of any pending inquiry/ investigation being conducted by SEBI	**NIL**
6.	Details of any penalty imposed by SEBI	**NIL**

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the Stock Exchanges.

Sincerely

Vaishali

For Beacon Trusteeship Limited
Name: Vaishali Urkude
Designation: Director & COO

Beacon Trusteeship Limited

ANNEXURE C: FINANCIAL STATEMENTS

(The remainder of this page is intentionally left blank)

Gandhi Mincoha & Co.
Chartered Accountants
B-6 Shakti Nagar extension,
Near Laxmi Bai College,
Delhi – 110 052
manojbhardwaj@gandhiminocha.com

Dass Gupta and Associates
Chartered Accountants
NDG Center,
B-4, Gulmohar Park
New Delhi – 110 049
admin@dassgupta.com

EXAMINATION REPORT ON CONSOLIDATED FINANCIAL INFORMATION (UNDER IND-AS)

Date: 20 September 2019

To,
The Board of Directors
Power Finance Corporation Limited
Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi 110 001
India

Dear Sirs,

Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited ("Company") in one of more tranches from time to time ("Issue")

1. The management of the Company has approved the accompanying Consolidated Financial information of the Company and its subsidiaries, associates and joint ventures (the Company and its subsidiaries, associates and joint ventures together referred to as the "**Group**"), as at and for the year ended on March 31, 2019 and 2018 comprising the Consolidated Statement of Assets and Liabilities as at March 31, 2019 and 2018 (Annexure I), Consolidated Statements of Profit and Loss (including other comprehensive income) (Annexure II), Consolidated Statement of Changes in Equity (Annexure III), the Consolidated Cash Flow Statement for the years March 31, 2019 and 2018 (Annexure IV), Statement of Significant Accounting Policies, and Notes to Accounts (Annexure V) (collectively, the "**Consolidated Financial Information under IND-AS**") annexed to this report which has been prepared in accordance with the requirements of :

   (a) Section 26 of Part I of Chapter Ill of the Companies Act, 2013 ("**the Act**");

   (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992.

   (c) the Guidance Note issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

   to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the "**Prospectuses**"), in connection with the proposed public issue of NCDs by the Company.

2. These Consolidated Financial Information under IND-AS have been compiled by the management from:

   (a) Audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("**Indian GAAP**") which was approved by the Board of Directors.

(b) The Consolidated Financial Information under IND-AS also contains the proforma consolidated Ind AS financial information as at April 1, 2017. The proforma consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 which have been approved by the Board of Directors.

3. We have examined the Consolidated Financial Information under IND-AS as stated in para 1 & 2 above.

4. The Consolidated Financial Information under IND-AS as at end for the year ended March 31, 2018 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2019 to comply with the requirements of Section 26 of the Act and the SEBI Regulations.

5. The Consolidated Financial Information under IND-AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports.

6. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

7. The data in the "Consolidated Financial Information under IND-AS" has been extracted from the Audited Financial Statements of the Company, duly audited by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co., Chartered Accountants, dated May 29, 2019.

8. This report should neither in any way be construed as a reissuance or re-dating of the previous audit report , nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. There is no qualification or adverse remark or Emphasis of matter in the auditor's report on the financial statements for the year ended March 31, 2019.

10. The Management of the Company is responsible for preparation of the Consolidated Financial Information under IND-AS for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Financial Information under IND-AS. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations. The Consolidated Financial Information under IND AS have been prepared by the management of the Company on the basis of preparation stated in Notes to Accounts to the Consolidated Financial Information.

11. We have examined such Consolidated Financial Information under IND-AS taking into consideration:

(a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 14, 2019 in connection with the proposed Issue of NCDs of the Issuer;

Gandhi Mincoha & Co.
Chartered Accountants
B-6 Shakti Nagar extension,
Near Laxmi Bai College,
Delhi – 110 052
manojbhardwaj@gandhiminocha.com

Dass Gupta and Associates
Chartered Accountants
NDG Center,
B-4, Gulmohar Park
New Delhi – 110 049
admin@dassgupta.com

(b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Consolidated Financial Information under IND-AS; and

(d) The requirements of Section 26 of the Act and the SEBI Debt Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Debt Regulations and the Guidance Note in connection with the Issue.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

For and on behalf of

Gandhi Minocha & Co.
Chartered Accountants

Name: CA Manoj Bhardwaj
Designation: Partner
Membership Number: 098606
Date: 20.09.2019
Firm Regn Number: 000458N
Place: New Delhi

Dass Gupta and Associates
Chartered Accountants

Name: CA Pankaj Mangal
Designation: Partner
MembershipNumber: 097890
Date: 20.09.2019
Firm Regn Number: 000112N
Place: New Delhi

CC:

1) Lead Managers to the Issue

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	5,73,661.28	4,94,889.63	4,29,023.27
(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)		**6,20,900.65**	**5,13,959.26**	**4,50,685.78**
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)		**6,28,993.52**	**5,22,531.48**	**4,58,097.12**
	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	3,98,352.00	3,85,879.65	3,43,095.30
(d)	Borrowings (other than Debt Securities)	21	1,27,007.07	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)		**5,64,801.71**	**4,66,383.90**	**4,05,462.14**
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)		**5,65,509.25**	**4,67,261.73**	**4,06,081.62**
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)		**6,28,993.52**	**5,22,531.48**	**4,58,097.12**

Accompanying notes to the ConsolidatedFinancial Statements 1 to 72

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		(77.08)	-
	- Share of other Comprehensive Income in Joint Venture accounted using equity		-	2.92
(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**

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
	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 to 72

Power Finance Corporation Limited

CIN L65910DL1986GOI024862

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(₹ in crores)

Particulars	Amount
Balance at the 01.04.2017	**2,640.08**
Changes during the year	-
Balance at the 31.03.2018	**2,640.08**
Changes during the year	-
Balance at the 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-Controling 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)**
			-	-	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
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**

(₹ in crore)

Particulars	Reserves and surplus											Other Comprehensive Income			Attributable to owners of the parent	Non-Controling 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**			
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)**
Reclasification 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 Standalone Financial Statements 1 to 72

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 Finacial 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
	Cash and Cash Equivalents at the end of the financial year		**725.03**		**825.04**
	<u>Details of Cash and Cash Equivalents at the end of the year:</u>				
	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	**3,29,059.77**	**2,750.00**	**29,524.43**	**-**	**2,400.79**	**6,300.00**	**3,70,034.99**
	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:							
	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	**3,52,792.99**	**10,925.00**	**48,066.67**	**10,174.74**	**-**	**6,300.00**	**4,28,259.40**
	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:							
	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	**3,48,194.98**	**70,953.55**	**63,584.37**	**17,690.92**	**13,357.17**	**13,862.70**	**5,27,643.69**

*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.

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**	**01.04.2017**	
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.

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.

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 though 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**

6.1 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 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**

7.1 The 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 amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	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.	Particular		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)	5,78,485.27	4,99,347.33	4,35,811.34
	- 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	**6,01,340.25**	**5,23,216.72**	**4,52,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Loans to Borrowers	**5,73,661.28**	**4,94,889.63**	**4,29,023.27**
(B)	**Security-wise classification**			
(i)	Secured by Tangible Assets	4,08,335.85	3,89,842.33	3,46,694.93
(ii)	Secured by Intangible Assets	-	-	-
(iii)	Covered by Bank/Government Guarantees	1,12,226.15	51,340.44	46,312.34
(iv)	Unsecured	80,778.25	82,033.95	59,813.71
	Gross Security-wise classification	**6,01,340.25**	**5,23,216.72**	**4,52,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Security-wise classification	**5,73,661.28**	**4,94,889.63**	**4,29,023.27**
(C) I	**Loans in India**			
(i)	Public Sector	5,13,929.13	4,38,598.41	3,76,492.75
(ii)	Private Sector	87,411.12	84,618.31	76,328.23
	Gross Loans in India	**6,01,340.25**	**5,23,216.72**	**4,52,820.98**
	Less: Impairment loss allowance	(27,678.97)	(28,327.09)	(23,797.71)
	Net Loans in India	**5,73,661.28**	**4,94,889.63**	**4,29,023.27**
(C) II	**Loans Outside India**	-	-	-
	Less: Impairment loss allowance	-	-	-
	Net Loans Outside India	**-**	**-**	**-**
	Net Loans in India and Outside India	**5,73,661.28**	**4,94,889.63**	**4,29,023.27**

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			Others*	Total
					Through Other Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	**Investments**								
	Government Securities								
	- Govt. of MP Power Bonds - II	1	47,16,00,000	47.16	-	-	-	-	**47.16**
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	10,00,000	-	-	809.84	809.84	-	**809.84**
	- Bonds from State Power Corporations	-	-	-	-	-	-	-	**-**
	- 11.15 % perpetual bonds of Indian Bank	5,000	10,00,000	-	-	500.31	500.31	-	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	10,00,000	-	-	556.25	556.25	-	**556.25**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	10,00,000	-	-	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)	39,20,00,000	10	-	-	-	-	480.65	**480.65**
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects (Refer Note 11.1)	7,50,000	10	-	-	-	-	0.74	**0.74**
	Others								
	- PTC India Limited.	1,20,00,000	10	-	88.14	-	88.14	-	**88.14**
	- Coal India Limited	1,39,64,530	10	-	331.24	-	331.24	-	**331.24**
	- NHPC Limited (Refer Note 40.4)	41,97,75,446	10	-	1,036.85	-	1,036.85	-	**1,036.85**
	- GMR Chattisgarh Energy Private Limited (Refer Note 40.4)	27,50,00,000	10	-	-	-	-	-	**-**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 40.4)	13,18,46,779	10	-	-	-	-	-	**-**
	- Housing and Urban Development Corporation. Ltd	3,47,429	10	-	1.56	-	1.56	-	**1.56**
	- Indian Energy Exchange Ltd.	12,50,000	10	-	206.25	-	206.25	-	**206.25**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	1,23,04,400	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							
		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**								
	Government Securities								
	- Govt. of MP Power Bonds - II	3	47,16,00,000	141.48	-	-	-	-	**141.48**
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	10,00,000	-	-	809.84	809.84	-	**809.84**
	- Bonds from State Power Corporations	61,545	1,00,000	643.04	-	-	-	-	**643.04**
	- 11.15 % perpetual bonds of Indian Bank	5,000	10,00,000	-	-	500.31	500.31	-	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	10,00,000	-	-	500.00	500.00	-	**500.00**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	10,00,000	-	-	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)	29,30,00,000	10	-	-	-	-	345.26	**345.26**
	Associates								
	- Ultramega Power Projects / Independent Transmission	7,50,000	10	-	-	-	-	0.71	**0.71**
	Others								
	- PTC India Limited.	1,20,00,000	10	-	104.88	-	104.88	-	**104.88**
	- Power Grid Corporation of India Limited	3,89,349	10	-	7.52	-	7.52	-	**7.52**
	- Coal India Limited	1,39,64,530	10	-	395.62	-	395.62	-	**395.62**
	- NHPC Limited (Refer Note 40.4)	44,45,53,916	10	-	1,231.41	-	1,231.41	-	**1,231.41**
	- GMR Chattisgarh Energy Limited (Refer Note 40.4)	27,50,00,000	10	-	-	-	-	-	**-**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Not	13,18,46,779	10	-	-	-	-	-	**-**
	- Housing and Urban Development Corporation. Ltd	3,47,429	10	-	2.30	-	2.30	-	**2.30**
	- Indian Energy Exchange Ltd	12,50,000	10	-	200.36	-	200.36	-	**200.36**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	1,23,04,400	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							
		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**								
	Government Securities								
	- Govt. of MP Power Bonds - II	5	47,16,00,000	235.80	-	-		-	**235.80**
(i)	**Debt securities**								
	- Bonds of Dena Bank (Refer Note 40.4)	10,000	10,00,000	-	-	1,018.30	1,018.30	-	**1,018.30**
	- Bonds of Andhra Bank (Refer Note 40.4)	8,000	10,00,000	-	-	809.60	809.60	-	**809.60**
	- Bonds from State Power Corporations	61,545	1,00,000	643.04	-	-		-	**643.04**
	- 11.15 % perpetual bonds of Indian Bank	5,000	10,00,000	-	-	500.31	500.31	-	**500.31**
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	10,00,000	-	-	500.00	500.00	-	**500.00**
	- 11.15 % perpetual bonds of Syndicate Bank	5,000	10,00,000	-	-	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)	29,30,00,000	10	-	-	-		352.14	**352.14**
	Associates								
	- Ultramega Power Projects / Independent Transmission	7,50,000	10	0.00	-	-		0.78	**0.78**
	Others								
	- PTC India Limited.	1,20,00,000	10	-	112.08	-	112.08	-	**112.08**
	- Power Grid Corporation of India Limited	3,89,349	10	-	8.67	-	8.67	-	**8.67**
	- Coal India Limited	1,39,64,530	10	-	408.67	-	408.67	-	**408.67**
	- NHPC Limited (Refer Note 40.4)	44,45,53,916	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)	27,50,00,000	10	-	193.05	0.00	193.05	-	**193.05**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Not	13,18,46,779	10	-	-	-	-	-	**-**
	- Housing and Urban Development Corporation. Ltd	3,47,429	10	-	-	-	-	-	**-**
	- Indian Energy Exchange Ltd	12,50,000	10	-	109.25	-	109.25	-	**109.25**
(iii)	**Others**								
	- Units of " Small is Beautiful " Fund (Refer Note 40.4)	1,23,04,400	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 Rs. 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 01.04.2017**
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 Rs. 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 Asociates*	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 Crores)

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-Progess	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**

Accumulated Depreciation (B)	Property, Plant and Equipment									Capital Work-in-Progess	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**	**207.57**	**-**	**-**	**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 Crores)

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 Crores)

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	**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	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 writte 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

**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)	2,98,307.82	3,03,547.84	2,84,332.89
	- 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	**3,98,352.00**	**3,85,879.65**	**3,43,095.30**
	Geography wise Debt Securities			
(i)	Debt Securities in India	3,77,818.26	3,75,802.36	3,41,922.20
(ii)	Debt Securities outside India	20,533.74	10,077.29	1,173.10
	Total Geography wise Debt Securities	**3,98,352.00**	**3,85,879.65**	**3,43,095.30**

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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
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
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
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
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
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
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
	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**		

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		
<u>In case of the Company</u>							
1	7 35 TAX FREE BONDS 3 A	7.35%	213.57	213.57	213.57	17.10.2035	Redeemable at par on maturity
2	7 60 TAX FREE BONDS 3 B	7.60%	155.48	155.48	155.48	17.10.2035	
3	7 27 TAX FREE BONDS 2 A	7.27%	131.33	131.33	131.33	17.10.2030	
4	7 52 TAX FREE BONDS 2 B	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 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	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	7.11%	75.10	75.09	75.09	17.10.2025	
18	7.36 TAXFREE BONDS 1B	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% 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	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**		
<u>In case of Group's Subsidiary REC Ltd.</u>							
1	Series 2015-16 Tranche-1	6.89% to 7.43%	417.73	417.73	417.73	05.11.2035	
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	Redeemable at par on maturity.
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			Date of Redemption	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	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		
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		Redeemable at par on maturity
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		
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	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	Redeemable at par on maturity
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	
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)		**1,67,774.95**	**1,77,176.95**	**1,73,383.50**		

In case of Group's Subsidiary REC Ltd.

1	Series 169	8.37%	2,554.00	-	-	07.12.2028	Redemption at par
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	
45	ZCB - Series I	-	1,029.46	951.00	878.52	15.12.2020	
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)		**1,30,532.87**	**1,26,370.89**	**1,10,949.39**		
	Total (A+B)		**2,98,307.82**	**3,03,547.84**	**2,84,332.89**		

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
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.							
1	CP-60	7.90%	1,000.00	-	-	04.03.2020	Redeemable at par
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.	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 Group's Subsidiary REC Ltd.							
1	54EC Capital Gain Tax Exemption Bonds	5.75% / 5.25%	722.04	1,469.23	-	Redeemable at par during FY 2023-24/ FY 2020-21	
	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 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

(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)	1,27,007.07	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	1,27,007.07	48,711.59	33,291.93

21.1 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Bond Series		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	KFW I		48.06	53.04	48.04	Semi Annual Installments Till	
2	ADB		82.80	87.36	96.21	Semi Annual Installments Till	Redeemable in semi annual instalments
3	Credit National		50.24	61.08	59.98	Semi Annual Installments Till	
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	Bullet Repayment at the end of the tenor
8	ICICI Bank FCNR(B)		691.55	651.75	-	26.04.2019	
9	Bank Of Baroda FCNR (B) -		-	201.32	-	22.02.2019	
10	Bank Of Baroda FCNR (B) -		-	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.	Bond Series		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.	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	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-
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.	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	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 (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	Rs. 5,000 Crore repayable in 3 annual instalments and first instalment due on 15.10.2021, Rs. 2,300 Crore repayable in 5 annual instalments and first instalment due on
6	Punjab National Bank	8.15% to 9.20%	3,500.00	-	-	14-Sep-21	Rs. 2,000 Crore repayable in 3 annual instalments and first instalment due on 14.09.2021, Rs. 1,500 Crore repayable in 3 annual instalments and first instalment due on
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
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	Rs. 500 Crore repayable on 29.04.2020, Rs. 300 Crore repayable on 29.09.2023, Rs. 350 Crore repayable on 11.10.2023, Rs. 350 Crore repayable on 06.11.2023, Rs. 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.	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	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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
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**		

21.7 In case of the Company, details of Unsecured WCDL / OD / CC / Line of Credit 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	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	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 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.

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 : Refund by the borrower due to non – commissioning of project in time	- 3.45 -	- 9.32 -
Less : Refunded to MoP:- (a) Estimated net excess against IX & X Plan (b) Due to non- commissioning of Project in time	 100.00 -	 - -
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

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)	1,10,00,00,00,000	11,000.00	1,10,00,00,00,000	11,000.00	1,10,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	2,00,00,00,000	200.00	2,00,00,00,000	200.00	2,00,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**						
	Equity Share Capital (Par Value per share ₹ 10)	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**						
	Opening Equity Share outstanding	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the year	-	0.00	-	0.00	-	0.00
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	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

	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	1,55,88,89,417	59.05%	1,74,02,16,107	65.92%	1,75,16,31,394	66.35%
(ii)	Life Insurance Corporation of India	15,63,20,146	5.92%	15,74,76,305	5.96%	22,82,52,101	8.65%
(iii)	USB Principal Capital Asia Ltd	14,22,38,384	5.39%	4,82,60,435	1.83%	-	0.00%
(ii)	HDFC Trustee	19,88,98,595	7.53%	8,51,21,960	3.22%	2,54,79,486	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 Interst

(₹ in crore)

S. 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 Borrow	(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 Crores)

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, 2018
(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, 2018
(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	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)

	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	On Financial Instruments measured at
(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 udner :

(₹ in Crore)

Sr. No.	Particulars	Year Ended 31.03.2019	Year ended 31.03.2018
(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:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
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 Rs. 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		1640.56	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	9,110.28	(2,211.67)	(991.23)	25.65	(448.09)	1,606.20	7,670.96	(579.82)

Principal/ECL during the year								
New financial assets originated	99,210.54	138.90	253.82	22.59	-	-	99,464.36	161.49
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
1 – 5 years	148.7	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	74.7	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 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 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 the Company, 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'

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 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	2,370.56	919.47	927.94	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,
	Derivative Liability	664.99	558.43	422.87		

						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	-	365.1
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:

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	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, Ghatampur Transmission 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 EnergyPro 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 (upto 09.10.2018)	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:-

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 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. In case of RECPCDL, the employees are entitled for leave encashment after completion of one year of service only and amount is paid 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	Others	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
(iii) Impairment allowance on Financial instruments in excess of RBDD	7,835.96	(442.00)	-		7393.96
(iv) Depreciation and amortization	(2.25)	0.80	-		(1.45)
(v) 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	Others	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
(iii) Impairment allowance on Financial instruments in excess of RBDD	6,383.19	1,452.77	-		7,835.96
(iv) Depreciation and amortization	(3.83)	1.58	-		(2.25)
(v) 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		
- Investments held at the end of the year	67.56	85.60
- 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

46.1Details 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)

		FY 2018-19			FY 2017-18		
S. No.	**Particulars**	**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 01.04.2017**
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**	**FY 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:

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
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 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
Profit for the year	5,741.38	4,450.52
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 on 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 Rs 16,320 Crore including Gross Budgetary Support of Rs 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 Rs. 43,033 Crore including budgetary support of Rs. 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 Rs. 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. REC 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 the 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 Rs. 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.

59.2The Group does not have any exposure to real estate sector. (Previous year – Nil)

59.3Exposure 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	16,956.94	2,759.53	2,752.63

	corporate debt (includes investment in fully convertible preference shares);			
(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**

59.4Details of financing of parent company products:

The Company does not have a parent company.

59.5Details 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

62.1Ratings 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.

62.2 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.

In respect of the subsidiary, RECL

Ratings assigned by credit rating agencies and migration of ratings during the year

62.3Domestic Credit Ratings

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+
4.	India Ratings and Research	IND AAA	IND A1+

62.4International Credit Ratings

Sl. 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

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

In respect of the subsidiary, RECL

S. 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	3,32,176.68	0.00	3,00,732.46	0.00	2,66,858.93	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	4,04,072.84	3,76,746.27	3,35,008.18
	(b)		Unsecured	1,80,451.16	1,31,257.39	1,04,550.18
	(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	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
		(iii)	Government Securities	47.16	141.48	235.80
		(iv)	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		4,04,172.21	1,80,254.48	5,84,426.69	3,76,857.64	1,31,086.88	5,07,944.52	3,35,230.65	1,04,434.63	4,39,665.28
		Total	4,04,172.73	1,80,451.16	5,84,623.89	3,76,858.16	1,31,257.39	5,08,115.55	3,35,231.17	1,04,550.18	4,39,781.35

(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		-	-	-

$In case of negative break-up value, Nil value has been considered.

68 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in crore)

		As at 31.03.2019		As at 31.03.2018		As as 01.04.2017	
	Particulars	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**	**37,7892.62**
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	0.00%	0.05	0.00%	0.05	0.00%	0.05

Power Company Limited						
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)

	As at 31.03.2019		As at 31.03.2018	
Name of Entity	**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)

	As at 31.03.2019		As at 31.03.2018	
Name of Entity	**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)**

71.4 Share in Total Comprehensive income

(₹ in crore)

	As at 31.03.2019		**As at 31.03.2018**	
Name of Entity	**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.

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	12.07.2007	08.01.2007
3	Share Capital	1974.92	0.05	0.00	0.05	0.05
4	Reserves & Surplus	32328.02	95.06	0.00	155.68	118.39
5	Total Assets	297717.30	130.18	0.05	555.03	286.30
6	Total Liabilities	263414.36	35.07	0.05	399.30	167.86
7	Investments	2397.62	0.04	0.00	15.81	89.08
8	Turnover [2]	25309.72	57.57	0.00	159.78	40.45
9	Profit before Taxation	8100.50	32.27	0.00	41.01	32.21
10	Provision for Taxation	2336.78	9.84	0.00	14.67	7.61
11	Profit after taxation	5763.72	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 Crores)

B.	Name of Joint Ventures/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associates			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	
			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-Il 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.

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EXAMINATION REPORT ON STANDALONE FINANCIAL INFORMATION (UNDER IND AS)

Date: 20 September 2019

To,
The Board of Directors
Power Finance Corporation Limited
Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi 110 001
India

Dear Sirs,

Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited ("Company") in one of more tranches from time to time ("Issue")

1. The management of the Company has approved the accompanying Standalone Financial information of the Company as at and for the year ended on March 31, 2019 and 2018 comprising of Standalone Statement of Assets and Liabilities (Annexure I), Standalone Statement of Profit and Loss (including other comprehensive income) (Annexure II), Standalone Statement of Changes in Equity (Annexure III), Standalone Cash Flow Statement as on and for the year ended March 31, 2019 and 2018 (Annexure IV), the Statement of Significant Accounting Policies and Notes to Accounts (Annexure V), (collectively referred to as "**Standalone Financial Statements under IndAS**") annexed to this report, in accordance with the requirements of :

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**");

   (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("**SEBI Regulations**"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;

   (c) the Guidance Note issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

   to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the "**Prospectuses**"), in connection with the proposed public issue of NCDs by the Company.

2. These Standalone Financial Information under IND AS have been compiled by the management from:

   (a) Audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors. The comparative statements for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2018,

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prepared in accordance with the accounting standards notified under the section 133 of the Act ("**Indian GAAP**") which was approved by the Board of Directors.

(b) The Standalone Financial Information under IND AS also contains the proforma standalone Ind AS financial information as at April 1, 2017. The proforma standalone Ind AS financial information have been prepared by making IND-AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 which have been approved by the Board of Directors.

3. We have examined the Standalone Financial information under IND AS as stated in para 1 & 2 above.

4. The Standalone Financial Information under IND AS as at and for the year ended March 31, 2018 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2019 to comply with the requirements of Section 26 of the Act and the SEBI Regulations.

5. The Standalone Financial Information under IND AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports.

6. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Service Engagements

7. The data in the "Standalone Financial Statements under IND AS" has been extracted from the Audited Financial Statements of the Company, duly audited by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co., Chartered Accountants, dated May 29, 2019.

8. This report should not in any way be construed as a reissuance or re-dating of the previous audit report , nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. There is no qualification or adverse remark or Emphasis of matter in the auditor's report on the financial statements for the year ended March 31, 2019.

10. The Management of the Company is responsible for preparation of the Standalone Financial Statements under IND AS for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Standalone Financial Statements under IND AS. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations. The Standalone Financial Statements under IND AS have been prepared by the management of the Company on the basis of preparation stated in Notes to Accounts to the Standalone Financial Information above.

11. We have examined the Standalone Financial Information under IND AS taking into consideration:

(a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 14, 2019 in connection with the proposed Issue of NCDs of the Issuer;

(b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Standalone Financial Information under IND AS; and

(d) The requirements of Section 26 of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

12. At the Company's request, we have also examined the following other standalone financial information of the Company (Collectively referred to as "**Other Standalone Financial Information**") proposed to be included in the Prospectuses as approved by the Management of the Company, annexed to this report:

(a) Statements of Accounting Ratios (Standalone), as at and for the year ended March 31, 2019 and March 31, 2018 (Annexure – VI)

(b) Statement of Dividend (Standalone), for each of the year ended March 31, 2019 and March 31, 2018 (Annexure – VII); and

(c) Capitalization Statement (Standalone), as at for the year ended March 31, 2019 and March 31, 2018 (Annexure – VIII).

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

For and on behalf of

Gandhi Minocha & Co.
Chartered Accountants

Name: CA Manoj Bhardwaj
Designation: Partner
Membership Number: 098606
Date: 20.09.2019
Firm Regn Number: 000458N
Place: New Delhi

Dass Gupta and Associates
Chartered Accountants

Name: CA Pankaj Mangal
Designation: Partner
MembershipNumber: 097890
Date: 20.09.2019
Firm Regn Number: 000112N
Place: New Delhi

CC:
1) Lead Managers to the Issue

Annexure I

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	3,03,210.36	2,66,011.38	2,35,088.75
(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)		**3,39,895.95**	**2,74,590.62**	**2,48,081.59**
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)		**3,44,855.69**	**2,79,908.45**	**2,53,033.28**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial Liabilities**				
(a)	Derivative Financial Instruments	8	505.59	240.68	68.41
(b)	Debt Securities	15	2,05,584.49	2,06,811.79	1,94,444.34
(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)		**3,01,072.15**	**2,42,418.59**	**2,17,255.67**
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)		**3,01,567.70**	**2,42,952.30**	**2,17,608.20**
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)		**3,44,855.69**	**2,79,908.45**	**2,53,033.28**

Accompanying notes to the Standalone Financial Statements 1 to 57

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**		

Power Finance Corporation Limited

CIN L65910DL1986GOI024862

Annexure III

Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital **(₹ in crore)**

Particulars	Amouont
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 compehensive 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

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 Finacial 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**
	<u>Details of Cash and Cash Equivalents at the end of the year:</u>				
	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	**1,85,943.37**	**2,000.00**	**8,443.88**	**-**	**2,400.79**	**3,800.00**	**2,02,588.04**
	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	**1,90,028.53**	**10,525.00**	**18,260.08**	**6,924.74**	**-**	**3,800.00**	**2,29,538.35**
	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 & Finacial 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	**1,81,112.79**	**46,203.55**	**28,826.86**	**9,715.92**	**13,357.18**	**9,211.50**	**2,88,427.80**

*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.

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.

<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.

<u>Fair value hedge</u>

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) <u>Classification and Measurement of Financial assets (other than Equity instruments)</u>

a) <u>Financial assets at Amortised Cost:</u>

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.

<u>Effective Interest Rate (EIR) method</u>

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.

<u>b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)</u>

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) Defined Contribution Plan

Company's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(ii) Defined Benefit Plan

The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans 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 Company's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

(iv) Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially 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.

(₹ in crore)

Part - I

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

(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.	Particular		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***			
	- Rupee Term Loans (RTLs)	2,99,463.59	2,65,545.94	2,37,471.52
	- 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	12,582.27	11,032.55	5,757.62
	- Leasing (Refer Note 9.2)	223.77	223.77	223.77
	- Receivable for invoked Default Payment Guarantee	396.64	345.47	290.58
	- Interest accrued but not due on Loans	4,630.80	4,059.14	4,244.12
	- Interest accrued & due on Loans	182.08	82.22	168.58
	- Unamortised Fee on Loans	(88.41)	(95.03)	(78.02)
	Gross Loans to Borrowers*	**3,19,391.40**	**2,83,063.02**	**2,49,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Loans to Borrowers*	**3,03,210.36**	**2,66,011.38**	**2,35,088.75**
(B)	**Security-wise classification**			
(i)	Secured by Tangible Assets	2,01,490.39	1,90,817.41	1,75,651.71
(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	**3,19,391.40**	**2,83,063.02**	**2,49,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Security-wise classification	**3,03,210.36**	**2,66,011.38**	**2,35,088.75**
(C) I	**Loans in India**			
(i)	Public Sector	2,65,465.58	2,31,583.39	2,07,104.10
(ii)	Private Sector	53,925.82	51,479.63	42,821.16
	Gross Loans in India	**3,19,391.40**	**2,83,063.02**	**2,49,925.26**
	Less: Impairment loss allowance	(16,181.04)	(17,051.64)	(14,836.51)
	Net Loans in India	**3,03,210.36**	**2,66,011.38**	**2,35,088.75**
(C) II	**Loans Outside India**	**-**	**-**	**-**
	Less: Impairment loss allowance	-	-	-
	Net Loans Outside India	**-**	**-**	**-**
	Net Loans in India and Outside India	**3,03,210.36**	**2,66,011.38**	**2,35,088.75**

*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							
					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**								
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	10,00,000			809.84	809.84		**809.84**
(ii)	**Equity instruments**								
	Subsidiaries (Refer Note 10.1)								
	- REC Ltd. (Refer Note 10.2)	1,03,94,95,247	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)	24,55,00,000	10					245.50	**245.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	7,50,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	1,20,00,000	10		88.14		88.14		**88.14**
	- Coal India Limited	1,39,64,530	10		331.24		331.24		**331.24**
	- NHPC Limited (Refer Note 10.7)	24,44,73,240	10		603.85		603.85		**603.85**
	- GMR Chhattisgarh Energy Limited (Refer Note 34.2)	27,50,00,000	10		0.00		0.00		**0.00**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	13,18,46,779	10		0.00		0.00		**0.00**
(iii)	**Others**								
	- Units of "Small is Beautiful" Fund	61,52,200	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							
					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**								
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	10,00,000			809.84	809.84		**809.84**
	- Bonds / Debentures from State Power	31,160	1,00,000	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	1,00,000	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)	14,65,00,000	10					146.50	**146.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	7,50,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	1,20,00,000	10		104.88		104.88		**104.88**
	- Power Grid Corporation of India Limited (Refer Note 10.7)	3,89,349	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	1,39,64,530	10		395.62		395.62		**395.62**
	- NHPC Limited (Refer Note 10.7)	26,05,42,051	10		721.70		721.70		**721.70**
	- GMR Chhattisgarh Energy Limited (Refer Note 32.4)	27,50,00,000	10		0.00		0.00		**0.00**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	13,18,46,779	10		0.00		0.00		**0.00**
(iii)	**Others**								
	- Units of "Small is Beautiful" Fund	61,52,200	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	10,00,000			1,018.30	1,018.30		**1,018.30**
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	10,00,000			809.60	809.60		**809.60**
	- Bonds / Debentures from State Power	31,160	1,00,000	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	1,00,000	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)	14,65,00,000	10					146.50	**146.50**
	Associates								
	- Ultra Mega Power Projects (Refer Note 10.1)	7,50,000	10					0.75	**0.75**
	Others								
	- PTC India Limited.	1,20,00,000	10		112.08		112.08		**112.08**
	- Power Grid Corporation of India Limited (Refer Note 10.7)	4,39,349	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	1,39,64,530	10		408.67		408.67		**408.67**
	- NHPC Limited (Refer Note 10.7)	26,05,42,051	10		838.95		838.95		**838.95**
	- GMR Chhattisgarh Energy Limited (Refer Note 32.4)	27,50,00,000	10		193.05		193.05		**193.05**
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 32.4)	13,18,46,779	10		0.00		0.00		**0.00**
(iii)	**Others**								
	- Units of "Small is Beautiful" Fund	61,52,200	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%

Associates :					
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**
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

(₹ 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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
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 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	7.38%	100.00	100.00	100.00	29.11.2027	
13	TAX FEE BOND SERIES 94B	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%	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	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	
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	
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	
92	SERIES 131-B	8.38%	1,350.00	1,350.00	1,350.00	27.04.2020	Redeemable at par on maturity
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	
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	
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	Redeemable at par on maturity
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		**1,67,774.95**	**1,77,176.95**	**1,73,383.50**		

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	
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	Redeemable at par on maturity
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 Comapny 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**
(II)	**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 in semi annual instalments
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			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
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	Bulllet Repayment at the end of the tenor
5	Canara Bank	8.70%	1,000.00	-	-	20.02.2024	Bulllet Repayment at the end of the tenor
6	UCO Bank	8.70%	200.00	-	-	02.03.2022	Bulllet 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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
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	
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	Bulllet Repayment at the end of the tenor
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			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
1	National Small Savings Fund Scheme (NSSF)	8.11%	7,500.00	-	-	27.12.2028	Bulllet 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	
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	Bulllet Repayment at the end of the tenor
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.	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**		
1	Bank of India	8.20 %	250.00	-	-	08.04.2019	Bulllet Repayment at the end of the tenor
2	Punjab National Bank	8.15 %	370.00	-	-	08.04.2019	Bulllet 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.

(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).

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)	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00	11,00,00,00,000	11,000.00
	Preference Share Capital (Par Value per share ₹ 10)	20,00,00,000	200.00	20,00,00,000	200.00	20,00,00,000	200.00
(B)	**Issued, Subscribed and Fully Paid-up Capital**						
	Equity Share Capital (Par Value per share ₹ 10)	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
(C)	**Reconciliation of Equity Share Capital**						
	Opening Equity Share outstanding	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the year	-	-	-	-	-	-
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08	2,64,00,81,408	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	1,55,88,89,417	59.05%	1,74,02,16,107	65.92%	1,75,16,31,394	66.35%
(ii)	Life Insurance Corporation of India	15,63,20,146	5.92%	15,74,76,305	5.96%	22,82,52,101	8.65%
(iii)	USB Principal Capital Asia Ltd	14,22,38,384	5.39%	4,82,60,435	1.83%	-	0.00%
(ii)	HDFC Trustee	19,88,98,595	7.53%	8,51,21,960	3.22%	2,54,79,486	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 recongnised 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 Cost	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 Banks	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:

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, polices and processes for measuring and managing each of above risk is set out in the subsequent subsections.

32.2.1 Credit Risk Management

Credit risk is the risk that a borrower or counterparty will default on its contractual obligations resulting in financial loss to 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			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)	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**		**Stage II**		**Stage III**		**Total**	
	Principal	**Impairment allowance**	**Principal**	**Impairment allowance**	**Principal**	**Impairment allowance**	**Principal**	**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		Stage II		Stage III		Total	
	Principal	Impairment allowance	Principal	Impairment allowance	Principal	Impairment allowance	Principal	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)

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	29,540.31	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 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

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:

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 investments	1,023.23	1,230.92	1,370.11	Level 1	Quoted market price.
2	Unlisted Equity investments 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 of 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	567.98	229.09	299.87	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.
	Derivative Liability	505.59	240.68	68.41		

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 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.	Disbursement of loans	4,427.79	7,731.23

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 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 are:-

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.

(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	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

(₹ in crore)

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)

		FY 2018-19			FY 2017-18		
S. No.	**Particulars**	**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	Adjustments due to Business Combination	Adjustments for Ind AS	Ind AS	Previous GAAP	Adjustments due to Business Combination	Adjustments 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)	2,74,102.11	414.08	(8,504.81)	2,66,011.38	2,41,115.00	383.85	(6,410.10)	2,35,088.75
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)**	**2,74,590.62**	**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)**	**2,79,908.45**	**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)	2,06,896.30	-	(84.51)	2,06,811.79	1,94,530.69	(0.00)	(86.35)	1,94,444.34
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 on Ind AS on 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;	-	-	-
(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.

Additional Schedule to Balance Sheet.

(₹ in Crore)

		Particulars Liabilities Side	Amount as on 31.03.2019 outstanding	Amount as on 31.03.2019 overdue	Amount as on 31.03.2018 outstanding	Amount as on 31.03.2018 overdue	Amount as on 01.04.2017 outstanding	Amount as on 01.04.2017 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
		(ii)	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) Secured	Unsecured	Total	Amount Net of Provisions (as on 31.03.2018) Secured	Unsecured	Total	Amount Net of Provisions (as on 01.04.2017) 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	-	0.52	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 Market value / Break up$ or fair value or NAV	As on 31.03.2019 Book Value (Net of Provisions)	As on 31.03.2018 Market value / Break up$ or fair value or NAV	As on 31.03.2018 Book Value (Net of Provisions)	As on 01.04.2017 Market value / Break up$ or fair value or NAV	As on 01.04.2017 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

		As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Particulars	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	4,2907.2	1,63,904.59	32,458.04	1,61,986.3
(c)	Borrowings (other than Debt Securities)	28,998.61	51345.92	2,408.54	23,671.63	2,446.45	9,145.31
(d)	Subordinated Liabilities	102.3	9207.4	93.59	3,799.17	93.59	3,799.05
(d)	Other Financial Liabilities	274.44	5053.40	235.56	5,157.63	2,106.90	5,151.623
	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.

Accounting Ratios (Standalone)

Description	Year ended 31.03.2019	Year ended 31.03.2018
	Ind - AS	Ind - AS
Net Profit After Tax	6,952.92	4,386.77
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408
Networth	43,287.99	36,956.15
Average Networth	40,122.07	36,190.62
Accounting Ratios:		
Basic and Diluted Earing Per Share (₹)	26.34	16.62
Net Asset Value per Share (₹)	163.96	139.98
Return on Average Net worth (%)	17.33%	12.12%
Total Debt / Net worth (Times)	6.66	6.21

Statement of dividend paid (Standalone)

Description	Year ended 31.03.2019	Year ended 31.03.2018
	Ind - AS	**Ind - AS**
Face value of equity shares	10.00	10.00
Equity share capital	2,640.08	2,640.08
Amount of dividend		
Interim dividend paid	0.00	2,059.26
Proposed final dividend	0.00	0.00
Total	**0.00**	**2,059.26**
Rate of dividend (%)	0.00%	78.00%
Corporate dividend tax	0.00	404.41

Capitalization Statement (Standalone)

Description	Year ended 31.03.2019	Year ended 31.03.2018
	Ind AS	Ind AS
Total Debt	**2,88,427.80**	**2,29,538.35**
Shareholders' Fund		
Share Capital	2,640.08	2,640.08
Reserves & Surplus	40,647.91	34,316.07
Net Worth	**43,287.99**	**36,956.15**
Total Debt / Networth	6.66	6.21

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EXAMINATION REPORT ON REFORMATTED CONSOLIDATED FINANCIAL INFORMATION (UNDER IGAAP)

Date: 20 September 2019

To,
The Board of Directors
Power Finance Corporation Limited
Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi 110 001
India

Dear Sirs,

Sub: Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited ("Company") in one of more tranches from time to time ("Issue")

1. The management of the Company has approved the accompanying Reformatted Consolidated Financial Information of the Company and its subsidiaries/associates (the Company and its Subsidiaries / associates together referred to as "**the Group**"), as at and for the years ended on March 31, 2018, 2017, 2016, and 2015 comprising of Reformatted Consolidated Statement of Assets and Liabilities (Annexure – I), Reformatted Consolidated Statement of Profit and Loss (Annexure – II), Reformatted Consolidated Cash Flow Statement (Annexure – III) as on and for the years ended March 31, 2018, 2017, 2016 and 2015, the Summary Statement of Significant Accounting Policies (Annexure – IV) and Notes to Accounts (Annexure – V), (collectively referred to as "**Reformatted Consolidated Financial Information under IGAAP**") annexed to this report, which have been prepared in accordance with the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**");

   (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("**SEBI Regulations**"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;

   (c) the Guidance Note issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

   to be included In the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the "**Prospectuses**"), in connection with the proposed public issue of NCDs by the Company.

2. These Reformatted Consolidated Financial Information have been compiled by the Management from the audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2018, 2017, 2016, and 2015 prepared in accordance with Indian Accounting principles generally accepted in India ("**IGAAP**") as prescribed under Section 133 of the Act, read with relevant rules thereunder which have been approved by the Board of Directors.

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3. We have examined the Reformatted Consolidated Financial Information under IGAAP as stated in para 1 & 2 above.

4. Based on our examination and according to the information and explanation given to us, we report that, the Reformatted Consolidated Financial Information and other Consolidated financial Information of the Group mentioned above, as at and for the years ended March 31, 2018, 2017, 2016, and 2015 have been prepared in accordance with Section 26 of the Act and the SEBI Regulations and the Guidance Notes. We further state that:

   The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the Consolidated Financial Statements for the year ended March 31, 2018 for purpose of the Reformatted Consolidated Financial Statements.

5. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements

6. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.

7. The data in the "Consolidated Financial Information" has been extracted from the Audited Financial Statements of the Company, duly audited by the then Statutory Auditors of the Company appointed by C&AG.

8. For the purpose of our examination we have relied on:

   (a) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co., Chartered Accountants, dated May 25, 2018 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2018 as referred in paragraph 4 above;

   (b) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 29, 2017 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2017 as referred in paragraph 4 above;

   (c) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 25, 2016 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2016 as referred in paragraph 4 above; and

   (d) Auditors' report issued by K.B. Chandna & Co., Chartered Accountants & N.K. Bhargava & Co., Chartered Accountants, dated May 28, 2015 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2015 as referred in paragraph 4 above.

9. There is no qualification or adverse remark in the auditor's report on the financial statements for the years ended March 31, 2018, 2017, 2016 and 2015. However, there are Emphasis of matter in the annexure to the auditor's reports which have been included in Annexure – A, which do not have any quantifiable impact on the Consolidated Reformatted Financial Information.

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10. We have examined such Reformatted Consolidated Financial Information taking into consideration:

    (a) The term of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 14, 2019 in connection with the proposed public issue of NCDs of the Company;

    (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics Issued by the ICAI;

    (c) Concepts of tests checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated financial Information under IGAAP; and

    (d) The requirements of Section 26 of the Act and SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

For and on behalf of

Gandhi Minocha & Co.
Chartered Accountants

Name: CA Manoj Bhardwaj
Designation: Partner
Membership Number: 098606
Date: 20.09.2019
Firm Regn Number: 000458N
Place: New Delhi

Dass Gupta and Associates
Chartered Accountants

Name: CA Pankaj Mangal
Designation: Partner
Membership Number:097890
Date: 20.09.2019
Firm Regn Number:000112N
Place: New Delhi

CC:

1) Lead Managers to the Issue

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ANNEXURE A

Financial Year	Auditor Remarks
FY 2018	None
FY 2017	**Emphasis of Matter** (a) Note No. 15 of Part-C 'Consolidated Other Notes on Accounts', regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by Rs. 3,427.18 crore and reversal of income by ` 527.37 crore during the year on state sector loans. (b) Note No. 19 of Part-C 'Consolidated Other Notes on Accounts', regarding income reversal of Rs. 413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon'ble High Court of Madras. (c) Note No. 6 (E) of Part-C 'Other Notes on Accounts', whereby income of Rs. 178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.
FY 2016	**Emphasis of Matter** (a) Note no. 13 (C) of Part-C 'Consolidated Other Notes on Accounts' regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016. (b) Note No. 15 of Part-C 'Consolidated Other Notes on Accounts', regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.
FY 2015	**Emphasis of Matter** Note No. 18 of Note Part-C of consolidated other notes to accounts, regarding application of prudential norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement/ Renegotiation (R/R/R) for the financial year 2014-15 for reasons indicated therein.

Annexure - I

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED CONSOLIDATED BALANCE SHEET AS AT 31.03.2018, 31.03.2017, 31.03.2016 AND 31.03.2015

(₹ in crore)

Description	Note Part	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
A. EQUITY & LIABILITIES									
(1) Shareholders' Funds									
(a) Share Capital	A-1	2,640.08		2,640.08		1,320.04		1,320.04	
(b) Reserves & Surplus	A-2	37,561.66	40,201.74	34,204.83	36,844.91	34,708.27	36,028.31	31,091.31	32,411.35
(2) Non-Current Liabilities									
(a) Long Term Borrowings	A-3								
Secured		13,691.52		20,106.17		19869.75		20786.66	
Unsecured		1,78,362.96	1,92,054.48	1,54,997.19	1,75,103.36	1,52,744.82	1,72,614.57	1,44,208.75	1,64,995.41
(b) Deferred Tax Liabilities (Net)	C-26		296.16		247.55		301.96		188.27
(c) Other Long Term Liabilities	A-4		5,931.40		6,143.07		548.85		333.81
(d) Long Term Provisions	A-5		2,252.45		2,667.16		1,325.98		1,042.48
(3) Current Liabilities									
(a) Short -Term Borrowings	A-3								
Secured		172.82		2,543.48		0		1928.17	
Un-secured		6,953.28		0.00		7571.57		2136.24	
(b) Trade Payables									
(i) total outstanding dues of micro enterprises and small enterprises		0.00		0.00		0		0	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		389.29		120.55		69.65		17.04	
(c) Other Current Liabilities									
(i) Current Maturity of Long Term Borrowings	A-3								
Secured		7,050.94		3.70		1916.91		1990	
Un-secured		24,078.90		25,342.20		18557.09		16745.28	
(ii) Other Short Term Liabilities	A-4	8,052.26		8,592.95		7,566.51		6,672.54	
(d) Short Term Provisions	A-5	741.31	47,438.80	1,928.55	38,531.43	815.39	36,497.12	529.43	30,018.70
Total			**2,88,175.03**		**2,59,537.48**		**2,47,316.79**		**2,28,990.02**
B. ASSETS									
(1) Non-current Assets									
(a) Fixed Assets	A-6								
(i) Tangible Assets		526.52		393.03		256.20		142.65	
Less: Accumulated Depreciation		162.34	364.18	97.87	295.16	59.18	197.02	42.94	99.71
(ii) Intangible Assets		14.99		9.62		8.90		8.34	
Less: Accumulated Amortization		8.99	6.00	8.40	1.22	7.44	1.46	6.55	1.79
(iii) Intangible Assets under development			411.88		105.44		46.63		2.42
(b) Non-Current Investments	A-7								
Trade		76.04		19.50		19.23		23.80	
Others		800.00	876.04	1,800.00	1,819.50	1,800.00	1,819.23	-	23.80
(c) Long Term Loans	A-8								
Secured		1,56,427.91		1,38,911.54		1,34,986.71		1,29,696.73	
Un-Secured		79,033.76	2,35,461.67	62,026.71	2,00,938.25	65,394.00	2,00,380.71	68,233.61	1,97,930.34
(d) Other Non-Current Assets	A-9								
(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		111.65		152.17		57.37		93.27	
(ii) Other		5,900.77	6,012.42	5,575.04	5,727.21	413.53	470.90	304.15	397.42
(2) CURRENT ASSETS									
(a) Current Investments	A-10	1,070.78		1,325.67		410.74		504.04	
(b) Trade Receivables	A-19								
More than Six Months		228.74		166.03		49.16		9.57	
Others		156.56		113.53		62.05		19.02	
(c) Cash and Bank Balances	A-11	780.54		3,792.83		301.55		5,367.36	
(d) Short Term Loans	A-8								
Secured		6,351.65		1,490.49		1,080.93		549.88	
Un-Secured		4,815.36		4,412.41		2,711.45		2,456.12	
(e) Other Current Assets									
(i) Current Maturity of Long Term Loans	A-8								
Secured		21,467.78		28,659.49		12,203.39		10,711.87	
Un-Secured		5,126.66		5,045.28		21,431.03		5,601.96	
(ii) Others	A-9	5,044.77	45,042.84	5,644.97	50,650.70	6,150.54	44,400.84	5,314.72	30,534.54
Total			**2,88,175.03**		**2,59,537.48**		**2,47,316.79**		**2,28,990.02**

Annexure - II

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018, 31.03.2017, 31.03.2016 AND 31.03.2015

(₹ in crore)

	Description	Note No.	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
I.	**Revenue from Operations**									
	Interest	A-12	25,870.01		26,333.11		27099.83		24589.98	
	Consultancy / Advisory Services		179.25		181.44		262.52		56.78	
	Other Operating Income		604.62		648.51		158.77		150.27	
	Other Financial Services		322.30	26,976.18	318.10	27,481.16	281.65	27802.77	146.30	24943.33
II.	**Other Income**									
	Other Income	A-13		269.15		130.13		83.00		69.60
III.	**Total Income (I+II)**			**27,245.33**		**27,611.29**		**27,885.77**		**25,012.93**
IV.	**Expenses**									
	Finance Costs	A-14		17,541.41		16,767.64		16645.38		15451.33
	Borrowing Expenses	A-15		28.45		26.58		33.44		31.4
	Employee Benefit Expenses	A-16		192.78		133.24		106.63		101.47
	Provisions	C-12		570.02		5,112.33		1610.16		843.07
	Provision for decline in value of investments	A-10		254.56		(7.41)		96.26		1.06
	Depreciation and Amortization Expenses	A-6		70.47		40.82		20.08		7.92
	CSR Expenses	C-18		120.10		167.64		146.81		118.5
	Other Expenses	A-17		107.02		105.29		61.97		14.45
	Prior Period Items (Net)	A-18		1.04		1.47		-2.06		(2.14)
	Total Expenses			**18,885.85**		**22,347.60**		**18,718.67**		**16,567.06**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			**8,359.48**		**5,263.69**		**9167.10**		**8445.87**
VI.	Exceptional Items			0.00		0.00		0.00		0.00
VII.	**Profit before extraordinary items and tax (V-VI)**			**8,359.48**		**5,263.69**		**9167.10**		**8445.87**
VIII.	Extraordinary Items			0.00		0.00		0.00		0.00
IX.	**Profit Before Tax (VII-VIII)**			**8,359.48**		**5,263.69**		**9167.10**		**8445.87**
X.	**Tax Expenses**									
	1) Current Tax									
	Current Year		2,464.74		3,121.71		2857.89		2525.38	
	Earlier Years		0.42	**2,465.16**	(0.47)	**3,121.24**	12.11	**2870.00**	-0.18	**2525.20**
	2) Deferred Tax Liability (+) / Asset (-)	C-26		50.21		(93.65)		113.10		-83.73
XI.	**Profit (Loss) for the year from continuing operations (IX-X)**			**5,844.11**		**2,236.10**		**6184.00**		**6004.40**
XII.	**Earnings per equity share of par value of ₹ 10/- each**	C-27								
	(1) Basic (₹)			**22.14**		**8.47**		**46.85**		**45.49**
	(2) Diluted (₹)			**22.14**		**8.47**		**46.85**		**45.49**

Annexure - III

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018, 31.03.2017, 31.03.2016 AND 31.03.2015

(₹ in crore)

	PARTICULARS	Note Part	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
I.	**Cash Flow from Operating Activities :-**									
	Net Profit before Tax and Extraordinary items		**8,359.48**		**5,263.69**		**9,167.10**		**8,445.87**	
	ADD: Adjustments for									
	Loss on Sale of Fixed Assets (net)		0.42		0.16		0.14		(0.03)	
	Profit on sale of investments	A-13	(0.78)		(0.50)		(0.49)		(1.31)	
	Depreciation / Amortization (including Prior period depreciation)	A-6	70.38		41.04		20.08		7.93	
	Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)		99.49		(11.55)		47.50	
	Foreign Exchange Translation Loss		245.45		221.48		306.16		222.64	
	Net Change in Fair Value of Derivatives	A-14	132.45		(178.15)		0.00		0.00	
	Provision for decline in value of investments		254.56		(7.41)		96.26		1.06	
	Provisions	C-12	570.02		5,112.33		1610.17		843.07	
	Dividend on investment	A-13	(65.47)		(90.38)		(70.66)		(31.46)	
	CSR Expenses		0.00		166.15		145.79		117.49	
	Interest Subsidy Fund		6.31		2.22		(3.88)		(12.52)	
	Provision for interest under IT Act		0.14		0.69		0.00		4.32	
	Excess Liabilities & Provisions written back	A-13	(164.93)		(0.12)		(0.30)		(2.45)	
	Provision for Retirement Benefits/Other Welfare Expenses/Wage revision		73.00		19.03		20.97		21.99	
	Interest Received		(25.15)		(22.54)		(15.43)		(14.26)	
	Interest Paid		29.91		15.79		3.58		0.12	
	Deferred Rent expenses		0.34		0.23		0.05		0.00	
	Operating profit before working Capital Changes:		**9,419.72**		**10,643.20**		**11,267.99**		**9,649.96**	
	Increase / Decrease :									
	Loans Assets (Net)		(33,440.08)		(7,377.60)		(21,508.66)		(28,634.77)	
	Other Assets		(159.71)		(4,749.27)		(615.07)		(706.77)	
	Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(vi)	(1.09)		84.46		(359.18)		328.65	
	Liabilities and provisions		(455.51)		6,496.07		972.04		377.16	
	Cash flow before extraordinary items		**(24,636.67)**		**5,096.86**		**(10,242.88)**		**(18,985.77)**	
	Extraordinary items		0.00		0.00		0.00		0.00	
	Cash Inflow/Outflow from operations before Tax		**(24,636.67)**		**5,096.86**		**(10,242.88)**		**(18,985.77)**	
	Income Tax paid		(2,661.28)		(3,370.01)		(3,092.64)		(2,475.24)	
	Income Tax Refund		1.83		68.61		37.82		5.74	
	Net Cash flow from Operating Activities			**(27,296.12)**		**1,795.46**		**(13,297.70)**		**(21,455.27)**
II.	**Cash Flow From Investing Activities :**									
	Sale / adjustment of Tangible / Intangible Assets		0.30		0.10		0.15		0.19	
	Purchase of Tangible / Intangible Assets	A-6	(140.92)		(124.36)		(111.46)		(40.90)	
	Increase / decrease in Intangible assets under development & CWIP	A-6	(295.31)		(57.01)		(44.23)		(1.60)	
	Investments in Subsidiaries		0.00		(0.64)		(0.33)		(0.20)	
	Interest Received		23.25		22.28		15.38		14.25	
	Dividend / Interest on investments		65.38		90.38		70.66		31.46	
	Purchase / Sale of Other Investments		959.24		(597.67)		(1,900.34)		(493.80)	
	Capital advances		(1.43)		(0.17)		(3.13)		0.00	
	Net Cash Used in Investing Activities			**610.51**		**(667.09)**		**(1,973.30)**		**(490.60)**
III.	**Cash Flow From Financing Activities :**									
	Issue of Equity Shares		0.00		31.39		21.59		0.00	
	Issue of Bonds (including premium) (Net)		4,046.30		18,570.20		11,711.11		32,857.60	
	Raising of Long Term Loans (Net)		8,893.27		(8,781.10)		(3,434.58)		(7,863.06)	
	Foreign Currency Loans (Net)		9,584.90		(2,559.98)		732.75		566.33	
	Interest Paid		(29.91)		(15.73)		(3.58)		(0.12)	
	Commercial paper (Net)		7,030.00		(5,350.00)		3,195.00		805.00	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,385.07)		356.70		368.62		1,928.17	
	Unclaimed Bonds (Net)		3.41		(3.32)		(0.13)		(0.57)	
	Unclaimed Dividend (Net)		1.20		(0.29)		0.40		(0.13)	
	Payment of Final Dividend of Previous year		0.00		(79.20)		(79.20)		(26.40)	
	Payment of Interim Dividend of Current year*		(2,505.30)		0.00		(1,755.66)		(1,122.04)	
	Payment of Corporate Dividend Tax		(487.21)		(218.35)		(372.86)		(228.59)	
	Net Cash in-flow from Financing Activities			**24,151.59**		**1,950.32**		**10,383.46**		**26,916.19**
	Net Increase / Decrease in Cash & Cash Equivalents			**(2,534.02)**		**3,078.69**		**(4,887.54)**		**4,970.32**
	Add : Cash & Cash Equivalents at beginning of the financial year			3,224.34		145.65		5,033.20		62.88
	Cash & Cash Equivalents at the end of the year			**690.32**		**3,224.34**		**145.65**		**5,033.20**
Details of Cash & Cash Equivalents at the end of the year:		A-11								
i)	Balances in current accounts with:									
	a) Reserve Bank of India		0.02		0.02		0.05		0.05	
	b) Scheduled Banks		157.35	157.37	151.18	151.20	141.87	141.92	138.25	138.3
ii)	Cheques in hand			0.00		0.00		0		0.01
iii)	Imprest with postal authority			0.00		0.00		0		0
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			532.95		3,073.14		3.73		4894.89
	Sub Total (I)			**690.32**		**3,224.34**		**145.65**		**5,033.20**

Details of Earmarked & Other Cash and Bank Balances at the end of the		A-11								
i)	Earmarked Balances :									
a)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		0.00		458.41		6.41		1.36	
b)	IPDS / R-APDRP									
	Balances in current accounts with scheduled banks		0.00		0.00		13.01		5	
	Fixed Deposits with Banks (original maturity up to 3 months)		0.00		0.00		0		45	
	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00	0.00	0.00	458.41	30.97	50.39	0.00	51.36
ii)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)			74.73		110.08		105.51		282.8
	Sub Total (II)			**74.73**		**568.49**		**155.90**		**334.16**
	Total Cash and Bank Balance at the end of the year. (I+II)			**765.05**		**3,792.83**		**301.55**		**5,367.36**

NOTE - Part A - 1

REFORMATTED CONSOLIDATED SHARE CAPITAL

(Rs. in crore)

	Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
A	**Authorised :**				
	10,00,00,00,000 equity shares of par value of ` 10/- each (Previous year 100,00,00,000 equity shares of par value of ` 10/- each)	10,000.00	10,000.00	2,000.00	20,000.00
	Total	**10,000.00**	**10,000.00**	**2,000.00**	**2,000.00**
B	**Issued, subscribed and paid up :**				
	2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up (Previous year 2,64,00,81,408 equity shares of ₹ 10/- each fully paid up)	2,640.08	2,640.08	1,320.04	1,320.04
	Total	**2,640.08**	**2,640.08**	**1,320.04**	**1,320.04**

NOTE - Part A - 2

REFORMATTED CONSOLIDATED RESERVES & SURPLUS

(Rs. in crore)

	Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
(A)	**Securities Premium Account**								
	Opening balance	2,776.54		4,096.58		4,096.37		4,096.37	
	Add : Addition during the year	0.00		0.00		0.21		0.00	
	Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2,776.54	0.00	4,096.58	0.00	4,096.37
(B)	**Debenture Redemption Reserve**								
	Opening balance	1,448.71		1,172.56		856.28		546.08	
	Add : Transfer from Surplus	294.17		312.55		316.27		310.2	
	Less: Transfer to Surplus on account of Utilization	0.00	1,742.88	36.40	1,448.71	0.00	1172.55	0.00	856.28
(C)	**Others**								
(i)	**Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act, 1961**								
	Opening balance	3,014.69		2,547.14		2117.93		1730.44	
	Add : Transfer from Surplus	372.10	3,386.79	467.55	3,014.69	429.21	2547.14	387.49	2117.93
(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**		599.85		599.85		599.85		599.85
(iii)	**Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98**								
	Opening balance	14,325.30		12,512.36		10541.45		8624.76	
	Add : Transfer from Surplus for the year	1,595.07		1,812.97		2008.37		1851.11	
	Less : Transfer to General Reserve	0.00		0.00		66.22		-6.82	
	Less : Transfer to Surplus	0.01	15,920.36	0.03	14,325.30	-28.76	12512.36	-72.40	10541.45
(iv)	**Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934**								
	Opening balance	16.98		10.95		6.43		2.65	
	Add : Transfer from Surplus for the year	6.37	23.35	6.03	16.98	4.52	10.95	3.78	6.43
(v)	**General Reserve**								
	Opening balance	5,438.69		5,364.34		4197.11		3594.29	
	Add : Transfer from Surplus for the year	1,000.00		0.00		1101		596	
	Add : Gain - Change in fair value of derivatives	0.00		74.35		0.00		0.00	
	Add : Transfer from Special Reserve	0.00		0.00		66.22		6.82	
	Less: Transferred to Special Reserve	0.00	6,438.69	0.00	5,438.69	0	5364.33	0	4197.11
(vi)	**Foreign Currency Monetary Item Translation Difference A/c**								
	Opening balance	(647.56)		(739.74)		-380.56		-709.21	
	Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)	-359.18	-739.74	328.65	-380.56
(vii)	**Interest Differential Fund - KFW Reserve**								
	Opening balance	0.00		0.00		0		0	
	Add : Transfer from Surplus (net)	57.90	57.90	0.00	0.00	0.00	0	0.00	0
(D)	**Surplus**								
	Opening balance	7,241.55		9,144.25		9,056.45		7,717.00	
	Add : Profit after tax for the Year	5,844.11		2,236.10		6,184.00		6,004.40	
	Less : Transfer to Reserves								
	Transfer to Reserve for Bad & Doubtful Debts u/s 36 (1) (viia) (c) of Income Tax Act, 1961	372.10		467.55		429.21		387.49	
	Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,595.07		1,812.97		2,008.37		1,851.11	
	Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	6.37		6.03		4.52		3.78	
	Transfer to Debenture Redemption Reserve	294.17		312.55		316.27		310.20	
	Transfer to General Reserve	1,000.00		0.00		1,101.00		596.00	
	Transfer to Interest Differential Reserve - KFW Loan (net)	57.90		0.00		-		-	
	Less : Dividend & Corporate Dividend Tax								
	Interim Dividend	2,059.26		1,320.04		1,755.66		1,122.04	
	Proposed Final Dividend	0.00		0.00		79.20		79.20	
	Corporate Dividend Tax on Interim Dividend	414.59		268.73		356.74		224.10	
	Proposed Corporate Dividend Tax	6.28		0.00		16.12		16.12	
	Adjustments during the Year								
	Add : Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40		-			
	Add : Adjustments during the current period	(15.98)		2.72		(0.35)		(0.58)	
	Add : Transfers from Special Reserve under Income Tax Act, 1961	0.00		0.00		-		0.31	
	Less : Depreciation on Life Expired Assets	0.00		0.00		-		(1.93)	
	Add : Transfer to/from Special Reserve under Income Tax Act, 1961	0.01	7,263.95	0.03	7,231.63	(28.76)	9144.25	(72.71)	9056.45
	Total (A) + (B) + (C) + (D)		**37,561.66**		**34,204.83**		**34,708.27**		**31,091.31**

NOTE - Part A - 3

REFORMATTED CONSOLIDATED BORROWINGS

(₹ in crore)

Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
A. Long Term Borrowings												
I. Secured												
Bonds												
Infrastructure Bonds	40.94	243.38	284.32	3.70	281.06	284.76	316.91	44.64	361.55	0.00	361.55	361.55
Tax Free Bonds	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11	0	12,275.11	12,275.11	0.00	11,275.11	11,275.11
Other Taxable Bonds	7,010.00	880.88	7,890.88	0.00	7,550.00	7,550.00	1600.00	7,550.00	9,150.00	1,990.00	9,150.00	11,140.00
Capital Gain Tax Exemption Bonds	0.00	292.15	292.15	0.00	0.00	0.00	0	0	0	0	0	0
Sub- Total (I)	**7,050.94**	**13,691.52**	**20,742.46**	**3.70**	**20,106.17**	**20,109.87**	**1,916.91**	**19,869.75**	**21,786.66**	**1,990.00**	**20,786.66**	**22,776.66**
II. UnSecured												
a) Bonds												
Other Bonds / Debentures	21,705.00	1,47,985.37	1,69,690.37	24,155.40	1,41,836.65	1,65,992.05	15,868.00	1,29,682.64	1,45,550.64	10,235.10	1,22,581.32	1,32,816.42
Subordinated Bonds	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes	0.00	2,607.00	2,607.00	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86	0.00	1,135.08	1,135.08
	21,705.00	**1,54,392.37**	**1,76,097.37**	**25,322.70**	**1,45,636.65**	**1,70,959.35**	**15,868.00**	**1,34,684.50**	**1,50,552.50**	**10,235.10**	**1,27,516.40**	**1,37,751.50**
b) Foreign Currency Loans												
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India)	36.10	331.79	367.89	19.50	288.19	307.69	20.68	282.05	302.73	22.07	241.23	263.30
Syndicated Foreign Currency Loans from Banks & Financial Institutions	0.00	12,462.05	12,462.05	0.00	7,072.35	7,072.35	2,057.58	7,278.27	9,335.85	2,029.11	6,325.12	8,354.23
Foreign Currency Loans (FCNR(B) from banks)	2,337.80	651.75	2,989.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2,373.90	**13,445.59**	**15,819.49**	**19.50**	**7,360.54**	**7,380.04**	**2,078.26**	**7,560.32**	**9,638.58**	**2,051.18**	**6,566.35**	**8,617.53**
c) Rupee Term Loans												
Rupee Term Loans (From Banks)	0.00	10,525.00	10,525.00	0.00	2,000.00	2,000.00	610.83	10,500.00	11,110.83	4,459.00	10,126.00	14,585.00
	0.00	**10,525.00**	**10,525.00**	**0.00**	**2,000.00**	**2,000.00**	**610.83**	**10,500.00**	**11,110.83**	**4,459.00**	**10,126.00**	**14,585.00**
Sub- Total (II)	**24,078.90**	**1,78,362.96**	**2,02,441.86**	**25,342.20**	**1,54,997.19**	**1,80,339.39**	**18,557.09**	**1,52,744.82**	**1,71,301.91**	**16,745.28**	**1,44,208.75**	**1,60,954.03**
B. Short Term Borrowings												
I. Secured												
Loan against FD	0.00	0.00	0.00	2,400.79	0.00	2,400.79	0.00	0.00	0.00	1,928.17	0.00	1,928.17
Rupee Term Loans (From Banks)	172.82	0.00	172.82	142.69	0.00	142.69	0.00	0.00	0.00	0.00	0.00	0.00
Sub- Total (I)	**172.82**	**0.00**	**172.82**	**2,543.48**	**0.00**	**2,543.48**	**0.00**	**0.00**	**0.00**	**1,928.17**	**0.00**	**1,928.17**
II. UnSecured												
Commercial Paper	6,924.74	0.00	6,924.74	0.00	0.00	0.00	5,286.37	0.00	5,286.37	2,136.24	0.00	2,136.24
Rupee Term Loans (From Banks)	28.54	0.00	28.54	0.00	0.00	0.00	2,285.20	0.00	2,285.20	0.00	0.00	0.00
Sub- Total (II)	**6,953.28**	**0.00**	**6,953.28**	**0.00**	**0.00**	**0.00**	**7,571.57**	**0.00**	**7,571.57**	**2,136.24**	**0.00**	**2,136.24**
Grand Total (A)+(B)#	**38,255.94**	**1,92,054.48**	**2,30,310.42**	**27,889.38**	**1,75,103.36**	**2,02,992.74**	**28,045.57**	**1,72,614.57**	**2,00,660.14**	**22,799.69**	**1,64,995.41**	**1,87,795.10**

NOTE - Part A - 4

REFORMATTED CONSOLIDATED OTHER LONG TERM & SHORT TERM LIABILITIES

(Rs. in crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
i.	Interest Subsidy Fund from GOI	1.95	114.05	**116.00**	3.59	106.10	**109.69**	6.88	100.59	**107.47**	12.63	98.72	**111.35**
ii.	Interest Differential Fund - KFW	0.00	0.00	**0.00**	0.00	63.88	**63.88**	0.00	60.71	**60.71**	0.00	58.38	**58.38**
iii.	Advance received / amount payable to Subsidiaries (including interest payable thereon)	190.13	268.88	**459.01**	192.28	249.04	**441.32**	182.33	198.79	**381.12**	166.21	172.08	**338.29**
iv.	Amount payable to GoI under R-APDRP	0.00	0.00	**0.00**	0.00	0.00	**0.00**	13.00	0.00	**13.00**	0.00	0.00	**0.00**
v.	Amount payable to GoI under IPDS	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**	50.01	0.00	**50.01**
vi.	Other Bonds (Amount Payable- Bonds fully serviced by GoI)												
	a) Principal	0.00	5,000.00	**5,000.00**	0.00	5,000.00	**5,000.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	b) Interest accrued but not due	38.21	0.00	**38.21**	38.21	0.00	**38.21**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Sub Total (I)	**230.29**	**5,382.93**	**5,613.22**	**234.08**	**5,419.02**	**5,653.10**	**202.21**	**360.09**	**562.30**	**228.85**	**329.18**	**558.03**
vii.	**Interest Accrued but not due :**												
	On Bonds	7,320.79	141.87	**7,462.66**	7,226.02	288.23	**7,514.25**	6,841.49	188.50	**7,029.99**	6,241.57	0.00	**6,241.57**
	On Loans	66.35	0.00	**66.35**	32.42	0.00	**32.42**	58.78	0.00	**58.78**	114.24	0.00	**114.24**
	Sub Total (II)	**7,387.14**	**141.87**	**7,529.01**	**7,258.44**	**288.23**	**7,546.67**	**6,900.27**	**188.50**	**7,088.77**	**6,355.81**	**0.00**	**6,355.81**
vii.	**Unpaid / Unclaimed**												
	Bonds	3.93	0.00	**3.93**	0.52	0.00	**0.52**	3.84	0.00	**3.84**	3.97	0.00	**3.97**
	Interest on Bonds	14.10	0.00	**14.10**	14.17	0.00	**14.17**	8.33	0.00	**8.33**	2.42	0.00	**2.42**
	Dividend	2.63	0.00	**2.63**	1.43	0.00	**1.43**	1.72	0.00	**1.72**	1.32	0.00	**1.32**
	Sub Total (III)	**20.66**	**0.00**	**20.66**	**16.12**	**0.00**	**16.12**	**13.89**	**0.00**	**13.89**	**7.71**	**0.00**	**7.71**
ix	Others	414.17	406.60	**820.77**	1,084.31	435.82	**1,520.13**	450.14	0.26	**450.40**	80.17	4.63	**84.80**
	Sub Total (IV)	**414.17**	**406.60**	**820.77**	**1,084.31**	**435.82**	**1,520.13**	**450.14**	**0.26**	**450.40**	**80.17**	**4.63**	**84.80**
	Grand Total (I+II+III+IV)	**8,052.26**	**5,931.40**	**13,983.66**	**8,592.95**	**6,143.07**	**14,736.02**	**7,566.51**	**548.85**	**8,115.36**	**6,672.54**	**333.81**	**7,006.35**

[$]Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany

*Details of Other Unsecured Taxable Bonds as on 31.03.2018 are as follows :

Bond Series	Date of allotment	Coupon Rate	Date of Redemption	Amount (Rs. in crore)
1. PFC Bond Series 164-GoI Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00
2. PFC Bond Series 160-GoI Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00
3. PFC Bond Series 158-GoI Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00
4. PFC Bond Series 156-GoI Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00
Total				**5,000.00**

NOTE - Part A - 5
REFORMATTED CONSOLIDATED PROVISIONS - LONG TERM AND SHORT TERM

(Rs. in crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
I.	**Employee Benefits**												
	Economic Rehabilitation of Employees	0.18	1.49	**1.67**	0.17	1.46	**1.63**	0.21	1.29	**1.50**	0.10	1.14	**1.24**
	Leave Encashment	1.39	20.74	**22.13**	1.81	29.42	**31.23**	2.37	24.72	**27.09**	1.51	22.05	**23.56**
	Staff Welfare Expenses	6.35	4.91	**11.26**	3.98	4.92	**8.90**	1.07	21.61	**22.68**	0.83	18.34	**19.17**
	Gratuity / Superannuation Fund	1.57	0.45	**2.02**	1.29	0.19	**1.48**	0.20	0.08	**0.28**	0.15	0.00	**0.15**
	Proposed Pay Revision	50.92	0.00	**50.92**	9.94	0.00	**9.94**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Bonus / Incentive	14.56	0.00	**14.56**	6.63	0.00	**6.63**	11.14	0.00	**11.14**	12.45	0.00	**12.45**
	Sub Total	**74.97**	**27.59**	**102.56**	**23.82**	**35.99**	**59.81**	**14.99**	**47.70**	**62.69**	**15.04**	**41.53**	**56.57**
II.	**Others**												
	Income Tax (net)	12.42	0.00	**12.42**	0.24	12.05	**12.29**	6.76	49.49	**56.25**	120.16	54.60	**174.76**
	Provision for Tax for demands uner contest	0.00	129.97	**129.97**	0.00	118.39	**118.39**	0.00	95.39	**95.39**	0.00	78.51	**78.51**
	CSR Expenses	0.00	0.00	**0.00**	100.22	0.00	**100.22**	102.98	0.00	**102.98**	114.46	0.00	**114.46**
	Provision against Standard Assets	411.43	929.22	**1,340.65**	100.05	459.88	**559.93**	103.48	495.00	**598.48**	44.89	441.90	**486.79**
	Provisions against Restructured Standard Assets	241.65	1,165.67	**1,407.32**	317.00	2,040.85	**2,357.85**	490.80	638.40	**1,129.20**	138.50	425.94	**564.44**
	Interim Dividend	0.00	0.00	**0.00**	1,320.04	0.00	**1,320.04**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Proposed Final Dividend	0.00	0.00	**0.00**	0.00	0.00	**0.00**	79.20	0.00	**79.20**	79.20	0.00	**79.20**
	Corporate Dividend Tax on interim dividend	0.00	0.00	**0.00**	67.18	0.00	**67.18**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Proposed Corporate Dividend Tax	0.84	0.00	**0.84**	0.00	0.00	**0.00**	16.12	0.00	**16.12**	16.12	0.00	**16.12**
	Provision for diminution in value of Investments	0.00	0.00	**0.00**	0.00	0.00	**0.00**	1.06	0.00	**1.06**	1.06	0.00	**1.06**
	Sub Total	**666.34**	**2,224.86**	**2,891.20**	**1,904.73**	**2,631.17**	**4,535.90**	**800.40**	**1,278.28**	**2,078.68**	**514.39**	**1,000.95**	**1,515.34**
	Grand Total#	**741.31**	**2,252.45**	**2,993.76**	**1,928.55**	**2,667.16**	**4,595.71**	**815.39**	**1,325.98**	**2,141.37**	**529.43**	**1,042.48**	**1,571.91**

NOTE - Part A - 6

REFORMATTED CONSOLIDATED FIXED ASSETS

(Rs. in crore)

Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2018	As at 31.03.2018**	As at 31.03.2017
I. Tangible Assets :												
Owned Assets												
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
Land (Leasehold)	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
Buildings	24.92	0.00	0.00	24.92	10.43	0.70	0.00	0.00	0.00	11.13	13.79	14.49
EDP Equipments	17.77	4.42	2.16	20.03	14.40	3.43	0.01	0.00	1.99	15.85	4.18	3.37
Office and other equipments	294.52	133.43	4.25	423.70	65.21	64.69	0.57	0.00	3.89	126.58	297.12	229.31
Furniture & Fixtures	9.78	1.90	0.18	11.50	7.39	0.65	0.01	0.00	0.10	7.95	3.55	2.39
Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06
Leasehold Improvements	4.59	0.33	0.00	4.92	0.30	0.46	0.00	0.00	0.09	0.67	4.25	4.29
Total	**393.03**	**140.08**	**6.59**	**526.52**	**97.87**	**69.95**	**0.59**	**0.00**	**6.07**	**162.34**	**364.18**	**295.16**
Previous year	256.20	140.12	3.29	393.03	59.18	39.88	1.62	0.22	3.03	97.87	295.16	
II. Intangible Assets:												
Purchased Software	**9.62**	**5.37**	**0.00**	**14.99**	**8.40**	**0.52**	**0.07**	**0.00**	**0.00**	**8.99**	**6.00**	**1.22**
Previous year	8.90	0.72	0.00	9.62	7.44	0.94	0.01	0.01	0.00	8.40	1.22	
III. Others :												
Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Work in Progress	105.44	575.19	268.75	411.88	0.00	0.00	0.00	0.00	0.00	0.00	411.88	105.44
	105.44	**575.19**	**268.75**	**411.88**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**411.88**	**105.44**
Previous year	46.63	216.74	157.92	105.44	0.00	0.00	0.00	0.00	0.00	0.00	105.44	

NOTE - Part A - 6

REFORMATTED CONSOLIDATED FIXED ASSETS

(Rs. in crore)

Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	Opening Balance as at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	Withdrawn / Written back	Closing Balance as at 31.03.2016	As at 31.03.2016**	As at 31.03.2015
I. Tangible Assets :												
Owned Assets												
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
Land (Leasehold)	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
Buildings	24.92	0.00	0.00	24.92	8.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01
EDP Equipments	17.27	2.29	2.04	17.52	13.31	3.02	0.00	0.00	1.93	14.40	3.12	3.94
Office and other equipments	56.62	107.83	1.42	163.03	14.39	14.74	0.01	0.00	1.26	27.88	135.15	36.93
Furniture & Fixtures	7.97	0.91	0.08	8.80	6.49	0.58	0.05	0.00	0.06	7.06	1.74	1.45
Vehicles	0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13
Leasehold Improvements	0.00	0.48	0.00	0.48	0.00	0.03	0.01	0.00	0.00	0.04	0.44	0.00
Total	**148.23**	**111.51**	**3.54**	**256.20**	**43.17**	**19.19**	**0.07**	**0.00**	**3.25**	**59.18**	**197.02**	**99.71**
Previous year	104.00	40.35	1.70	142.65	34.85	6.72	2.91	0.00	1.54	42.94	99.71	69.15
II. Intangible Assets:												
Purchased Software (Useful Life - 5 years)	**8.34**	**0.55**	**0.00**	**8.90**	**6.55**	**0.89**	**0.00**	**0.00**	**0.00**	**7.44**	**1.46**	**1.79**
Previous year	7.80	0.54	0.00	8.34	5.35	1.20	0.00	0.00	0.00	6.55	1.79	2.45
III. Others :												
Intangible assets under development	0.00	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00
Capital Works in Progress	2.78	170.51	126.82	46.47	0.00	0.00	0.00	0.00	0.00	0.00	46.47	2.42
	2.78	**170.67**	**126.82**	**46.63**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**46.63**	**2.42**
Previous year	**0.66**	**1.76**	**0.00**	**2.42**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.42**	**0.66**

NOTE - Part A 7

REFORMATTED CONSOLIDATED NON- CURRENT INVESTMENTS

(Rs. in crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Number	Amount		Number	Amount		Number	Amount		Number	Amount	
(A)	**Trade Investments (Face value of ` 10 /- each fully paid up - unless otherwise stated)**												
I.	**Equity Instruments (Quoted) - valued at Cost**												
	PTC India Ltd.	1,20,00,000		12.00	1,20,00,000		12.00	1,20,00,000		12.00	1,20,00,000		12.00
II.	**Equity Instruments (Unquoted)**												
	- Valued at Cost (Less diminution, if any, other than temporary)												
	Power Exchange India Ltd.	32,20,000	3.22		32,20,000	3.22		32,20,000	3.22		32,20,000	3.22	
	Less : Provision for diminution		3.22	0.00		3.22	0.00		3.22	0.00		0.00	3.22
	Long term investment			57.14			0.60			0.00			0.00
	Subsidiaries	7,50,000	0.75		7,50,000	0.75			1.08			0.90	
	Less : Provision for diminution		0.00	0.75		0.00	0.75		0.00	1.08		0.00	0.90
III.	**Others (Unquoted)**												
	Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.	61,52,200		6.15	61,52,200		6.15	61,52,200		6.15	76,82,816		7.68
	Sub Total			**76.04**			**19.50**			**19.23**			**23.80**
(B)	**Other Investment -Bonds (Quoted) (Face value of ` 10,00,000/- each fully paid up - unless otherwise stated)**												
	8000 Bonds of Andhra Bank (Previous year :10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000		800.00	18,000		1800.00	18,000		1800.00	0		0.00
	Sub Total			**800.00**			**1,800.00**			**1,800.00**			**0.00**
	Grand Total#			**876.04**			**1819.50**			**1819.23**			**23.80**

NOTE - Part A - 8

REFORMATTED CONSOLIDATED LOANS *

(Rs. in crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A. Long Term												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	14,344.07		1,28,465.16		1,42,809.23		18,725.71		91,918.09		1,10,643.80	
RTLs to Independent Power Producers	1,935.12		11,476.35		13,411.47		6,648.19		23,034.61		29,682.80	
Foreign Currency Loans to Independent Power Producers	0.00		0.00		0.00		5.03		0.00		5.03	
Buyer's Line of Credit	118.58		1,372.38		1,490.96		67.48		1,376.96		1,444.44	
Lease Financing to Borrowers	0.00		0.00		0.00		8.62		185.70		194.32	
RTLs to Equipment Manufacturers	66.03	16,463.80	857.77	1,42,171.66	923.80	**1,58,635.46**	18.95	25,473.98	870.05	1,17,385.41	889.00	**1,42,859.39**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	311.41		4,704.48		5,015.89		2,323.18		21,064.92		23,388.10	
Less: Provision for contingencies	32.18	279.23	500.58	4,203.90	532.76	**4,483.13**	328.58	1,994.60	2,134.66	18,930.26	2,463.24	**20,924.86**
RTL to Independent Power Producers - NPA	6,579.02		11,362.84		17,941.86		1,689.43		3,237.05		4,926.48	
Less: Provision for contingencies	1,971.38	4,607.64	1,469.14	9,893.70	3,440.52	**14,501.34**	527.87	1,161.56	708.42	2,528.63	1,236.29	**3,690.19**
Lease financing to Borrowers - NPA	18.04		176.28		194.32		0.00		0.00		0.00	
Less: Provision for contingencies	1.80	16.24	17.63	158.65	19.43	**174.89**	0.00	0.00	0.00	0.00	0.00	**0.00**
FCL to Independent Power Producers - NPA	201.75		0.00		201.75		58.70		134.48		193.18	
Less: Provision for contingencies	100.88	100.87	0.00	0.00	100.88	**100.87**	29.35	29.35	67.24	67.24	96.59	**96.59**
Sub-Total I		**21467.78**		**1,56,427.91**		**1,77,895.69**		**28,659.49**		**1,38,911.54**		**1,67,571.03**
II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	4,040.49		63,821.72		67,862.21		3,602.66		57,954.91		61,557.57	
RTLs to Independent Power Producers	539.68		14,464.39		15,004.07		1,127.87		3,413.96		4,541.83	
Buyer's Line of Credit	62.03	4,642.20	74.97	78,361.08	137.00	**83,003.28**	72.35	4,802.88	70.17	61,439.04	142.52	**66,241.92**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	0.00		0.00		0.00		269.33		373.83		643.16	
Less: Provision for contingencies	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	26.93	242.40	127.20	246.63	154.13	**489.03**

NOTE - Part A - 8

REFORMATTED CONSOLIDATED LOANS *

(Rs. in crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
RTL to Independent Power Producers - NPA	1,518.78		1,058.62		2,577.40		369.85		828.95		1,198.80	
Less : Provision for contingencies	1,060.82	457.96	697.54	361.08	1,758.36	**819.04**	369.85	0.00	828.95	0.00	1,198.80	**0.00**
FCL to Independent Power Producers - NPA	39.23		0.00		39.23		0.00		61.91		61.91	
Less: Provision for contingencies	39.23	0.00	0.00	0.00	39.23	**0.00**	0.00	0.00	61.91	0.00	61.91	**0.00**
Sub-Total II		**5,100.16**		**78,722.16**		**83,822.32**		**5,045.28**		**61,685.67**		**66,730.95**
Total A (I+ II)		**26,567.94**		**2,35,150.07**		**2,61,718.01**		**33,704.77**		**2,00,597.21**		**2,34,301.98**
B. **Bonds**												
I **Un-secured Bonds**												
Bonds / Debentures from State Power Corporations		0.00		311.60		**311.60**		0.00		311.60		**311.60**
Bonds / Debentures from Independent Power Producers-NPA	29.44		0.00		29.44		0.00		29.44		29.44	
Less : Provision for contingencies	2.94	26.50	0.00	0.00	2.94	**26.50**	0.00	0.00	0.00	29.44	0.00	**29.44**
Total B		**26.50**		**311.60**		**338.10**		**0.00**		**341.04**		**341.04**
C. **Short Term**												
I **Secured Loans**												
a) **Considered Good**												
Working Capital Loans to State Electricity Boards and State Power Corporations		6,123.12		0.00		**6,123.12**		1,467.91		0.00		**1,467.91**
Working Capital Loans to Independent Power Producers		212.46		0.00		**212.46**		22.58		0.00		**22.58**
b) **Others**												
Working Capital Loans to Independent Power Producers -	17.86		0.00		17.86		0.00		0.00		0.00	
Less: Provision for contingencies	1.79	16.07	0.00	0.00	1.79	**16.07**	0.00	0.00	0.00	0.00	0.00	**0.00**
Sub-Total I		**6,351.65**		**0.00**		**6,351.65**		**1,490.49**		**0.00**		**1,490.49**
II **Un-Secured Loans - Considered Good**												
a) **Considered Good**												
Working Capital Loans to State Electricity Boards and State Power Corporations		4,275.55		0.00		**4,275.55**		3,750.39		0.00		**3,750.39**
Working Capital Loans to Independent Power Producers		38.67		0.00		**38.67**		516.73		0.00		**516.73**
b) **Others**												
Working Capital Loans to Independent Power Producers - NPA	364.89		0.00		364.89		0.00		0.00		0.00	
Less : Provision for contingencies	36.49	328.40	0.00	0.00	36.49	**328.40**	0.00	0.00	0.00	0.00	0.00	**0.00**
Other Loans - NPA	345.47		0.00		345.47		290.58		0.00		290.58	
Less : Provision for contingencies	172.73	172.74	0.00	0.00	172.73	**172.74**	145.29	145.29	0.00	0.00	145.29	**145.29**
Sub-Total II		**4,815.36**		**0.00**		**4,815.36**		**4,412.41**		**0.00**		**4,412.41**
Total C (I+ II)		**11,167.01**		**0.00**		**11,167.01**		**5,902.90**		**0.00**		**5,902.90**
Grand Total (A+B+C)		**37,761.45**		**2,35,461.67**		**2,73,223.12**		**39,607.67**		**2,00,938.25**		**2,40,545.92**

NOTE - Part A - 8
REFORMATTED CONSOLIDATED LOANS *

(Rs. in crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	

NOTE - Part A - 8
REFORMATTED CONSOLIDATED LOANS

(Rs. in crore)

Description	As at 31.03.2016				Total		As at 31.03.2015				Total	
	Current maturities		Non-Current				Current maturities		Non-Current			
A. Long Term												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	8,886.36		1,10,419.53		1,19,305.89		8,653.83		1,01,793.35		1,10,447.18	
RTLs to Independent Power Producers	1,881.53		18,665.66		20,547.19		1,287.56		24,944.13		26,231.69	
Foreign Currency Loans to Independent Power Producers	20.58		5.14		25.72		25.52		24.29		49.81	
Buyer's Line of Credit	318.44		764.04		1,082.48		89.83		574.03		663.86	
Lease Financing to Borrowers	7.89		196.20		204.09		7.73		204.54		212.27	
RTLs to Equipment Manufacturers	18.95	11,133.75	842.35	1,30,892.92	861.30	**1,42,026.67**	73.09	10,137.56	840.52	1,28,380.86	913.61	**1,38,518.42**
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV 619B Borrowers and State Governments - NPA	374.35		347.61		721.96		267.39		454.57		721.96	
Less: Provision for contingencies	74.87	299.48	69.51	278.10	144.38	**577.58**	26.74	240.65	45.45	409.12	72.19	**649.77**
RTL to Independent Power Producers - NPA	947.64		4,251.81		5,199.45		471.52		933.37		1,404.89	
Less: Provision for contingencies	202.61	745.03	577.38	3,674.43	779.99	**4,419.46**	143.22	328.30	187.01	746.36	330.23	**1,074.66**
FCL to Independent Power Producers - NPA	35.90		201.79		237.69		7.66		229.12		236.78	
Less: Provision for contingencies	10.77	25.13	60.53	141.26	71.30	**166.39**	2.30	5.36	68.73	160.39	71.03	**165.75**
Sub-Total I		**12,203.39**		**1,34,986.71**		**1,47,190.10**		**10,711.87**		**1,29,696.73**		**1,40,408.60**
II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	19,378.04		56,435.04		75,813.08		5,401.87		59,925.69		65,327.56	
RTLs to Independent Power Producers	1,836.77		7,705.09		9,541.86		158.29		6,794.73		6,953.02	
Foreign Currency Loans to State Power Utilties	14.16		0.00		14.16		13.38		13.38		26.76	
Buyer's Line of Credit	202.06		99.07		301.13		0.00		76.79		76.79	
RTLs to Equipment Manufacturers	0.00	21,431.03	0.00	64,239.20	0.00	85,670.23	28.42	5,601.96	223.04	67,033.63	251.46	72,635.59
b) Others												
RTL to Independent Power Producers - NPA	41.56		1,064.35		1,105.91		0.00		0.00		0.00	
Less : Provision for contingencies	41.56	0.00	329.14	735.21	370.70	**735.21**	0.00	0.00	0.00	0.00	0.00	**0.00**
FCL to Independent Power Producers - NPA	0.00		22.04		22.04		0.00		0.00		**0.00**	
Less: Provision for contingencies	0.00	0.00	22.04	0.00	22.04	**0.00**	0.00	**0.00**	0.00	**0.00**	**0.00**	**0.00**
Sub-Total II		**21,431.03**		**64,974.41**		**86,405.44**		**5,601.96**		**67,033.63**		**72,635.59**
Total A (I+ II)		**33,634.42**		**1,99,961.12**		**2,33,595.54**		**16,313.83**		**1,96,730.36**		**2,13,044.19**

NOTE - Part A - 8

REFORMATTED CONSOLIDATED LOANS *

(Rs. in crore)

Description	As at 31.03.2018 Current maturities (Twelve Months)		Non-Current		Total		As at 31.03.2017 Current maturities (Twelve Months)		Non-Current		Total	
B. Bonds												
I Un-secured Bonds												
Bonds / Debentures from State Power Corporations		0.00		390.15		**390.15**		0.00		1,170.50		**1,170.50**
Bonds / Debentures from Independent Power Producers		0.00		29.44		**29.44**		0.00		29.48		**29.48**
Total B		**0.00**		**419.59**		**419.59**		**0.00**		**1,199.98**		**1,199.98**
c. Short Term												
I Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		1,080.93		0.00		**1,080.93**		549.88		0.00		**549.88**
Working Capital Loans to Independent Power Producers		0.00		0.00		**0.00**		0.00		0.00		**0.00**
Sub-Total I		**1,080.93**		**0.00**		**1,080.93**		**549.88**		**0.00**		**549.88**
II Un-Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		2,180.07		0.00		**2,180.07**		2,132.14		0.00		**2,132.14**
Working Capital Loans to Independent Power Producers		369.00		0.00		**369.00**		205.20		0.00		**205.20**
Others	231.97		0.00		231.97		169.68		0.00		169.68	
Less : Provision for contingencies	69.59	162.38	0.00	0.00	69.59	**162.38**	50.90	118.78	0.00	0.00	50.90	**118.78**
Sub-Total II		**2,711.45**		**0.00**		**2,711.45**		**2,456.12**		**0.00**		**2,456.12**
Total C (I+ II)		**3,792.38**		**0.00**		**3,792.38**		**3,006.00**		**0.00**		**3,006.00**
Grand Total		**37,426.80**		**2,00,380.71**		**2,37,807.51**		**19,319.83**		**1,97,930.34**		**2,17,250.17**

NOTE - Part A - 9

REFORMATTED CONSOLIDATED OTHER ASSETS

(Rs. in crore)

	Description	As at 31.03.2018						As at 31.03.2017					
	LOANS & ADVANCES	Current		Non-Current		Total		Current		Non-Current		Total	
	Loans (considered good)												
a)	to Employees (Secured)	2.09		9.79		11.88		2.25		11.94		14.19	
b)	to Employees (Unsecured)	10.19	12.28	45.53	55.32	55.72	**67.60**	9.76	12.01	48.22	60.16	57.98	**72.17**
	Advances (Unsecured considered good)												
	Advances recoverable in cash or in kind or for value to be received												
a)	to Subsidiaries (including interest recoverable there on)	329.66		147.17		476.83		264.82		133.59		398.41	
	Less : Provision for contingencies	2.65		0.00		2.65		0.86		0.00		0.86	
b)	to Employees	1.71		1.33		3.04		1.41		1.28		2.69	
c)	Prepaid Expenses	16.30		0.00		16.30		18.51		0.00		18.51	
d)	Others	496.88		157.69		654.57		1,332.97		6.31		1,339.28	
	Less : Provision for contingencies	0.00		0.00		0.00		0.01		0.00		0.01	
e)	Advance Income Tax and Tax Deducted at Source (net)	1.96		369.08		371.04		2.78		162.66		165.44	
f)	Tax deposited on demands under contest	73.11		138.13		211.24		33.16		183.79		216.95	
g)	Security Deposits	0.89	917.86	3.04	816.44	3.93	**1,734.30**	0.47	1,653.25	1.91	489.54	2.38	**2,142.79**
	Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)												
a)	Principal	0.00		5,000.00		5,000.00		0.00		5,000.00		5,000.00	
b)	Interest	38.21	38.21	0.00	5,000.00	38.21	**5,038.21**	38.21	38.21	0.00	5,000.00	38.21	**5,038.21**
	OTHER ASSETS												
I	**Accrued but not due :**												
a)	Interest on Loan Assets	3,976.60		0.00		3,976.60		3,736.71		0.00		3,736.71	
b)	Interest on Loans to Employee	0.77		25.07		25.84		0.60		22.04		22.64	
c)	Interest on Deposits and Investments	16.83	3,994.20	3.94	29.01	20.77	**4,023.21**	35.61	3,772.92	3.30	25.34	38.91	**3,798.26**
II	**Accrued and due :**												
	Incomes accrued & due on loans	82.22	82.22	0.00	0.00	82.22	**82.22**	168.58	168.58	0.00	0.00	168.58	**168.58**
III	Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	0.00	0.00	111.65	111.65	111.65	**111.65**	0.00	0.00	152.17	152.17	152.17	**152.17**
	Loans & Advances (Unsecured - Others)												
	Non Performing Assets (NPAs)	2.61		0.00		2.61		16.40		0.00		16.40	
	Less : Provision for contingencies	2.61	0.00	0.00	0.00	2.61	**0.00**	16.40	0.00	0.00	0.00	16.40	**0.00**
	Total #		**5,044.77**		**6,012.42**		**11,057.19**		**5,644.97**		**5,727.21**		**11,372.18**

NOTE - Part A - 9

REFORMATTED CONSOLIDATED OTHER ASSETS

(Rs. in crore)

	Description	As at 31.03.2016						As at 31.03.2015					
	LOANS & ADVANCES	Current		Non-Current		Total		Current		Non-Current		Total	
	Loans (considered good)												
a)	to Employees (Secured)	2.33		14.33		16.66		2.51		16.99		19.50	
b)	to Employees (Unsecured)	8.48	10.81	46.68	61.01	55.16	**71.82**	5.51	8.02	38.78	55.77	44.29	**63.79**
	Advances (Unsecured considered good)												
	Advances recoverable in cash or in kind or for value to be												
a)	to Subsidiaries (including interest recoverable there on)	199.26		117.76		317.02		186.58		104.15		290.73	
	Less : Provision for contingencies	0.00		0.00		0.00		0.00		0.00		0.00	
b)	to Employees	1.63		1.89		3.52		1.27		0.90		2.17	
c)	Prepaid Expenses	18.86		0.00		18.86		2.23		0.00		2.23	
d)	Unamortized financial charges on Commercial Paper	0.00		0.00		0.00		0.00		0.00		0.00	
d)	Others	235.12		9.33		244.45		119.90		3.54		123.44	
	Less : Provision for contingencies	0.00		0.00		0.00		0.00		0.00		0.00	
e)	Advance Income Tax and Tax Deducted at Source (net)	9.73		58.36		68.09		2.15		10.58		12.73	
f)	Tax deposited on demands under contest	28.58		144.47		173.05		17.57		113.49		131.06	
g)	Security Deposits	3.28	496.46	0.69	332.50	3.97	**828.96**	0.36	330.06	0.39	233.05	0.75	**563.11**
	OTHER ASSETS												
I	**Accrued but not due :**												
a)	Interest on Loan Assets	4,814.39		0.00		4,814.39		4,415.15		0.00		4,415.15	
b)	Other charges	11.92		0.00		11.92		2.06		0.00		2.06	
b)	Interest on Loans to Employee	0.50		18.87		19.37		0.27		15.33		15.60	
c)	Interest on Deposits and Investments	38.13	4,864.94	1.15	20.02	39.28	**4,884.96**	25.75	4,443.23	0.00	15.33	25.75	**4,458.56**
II	**Accrued and due :**												
	Incomes accrued & due on loans	778.17	778.17	0.00	0.00	778.17	**778.17**	533.35	533.35	0.00	0.00	533.35	**533.35**
III	Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	0.00	0.00	57.37	57.37	57.37	**57.37**	0.00	0.00	93.27	93.27	93.27	**93.27**
	Loans & Advances (Unsecured - Others)												
	Non Performing Assets (NPAs)	1.17		0.00		1.17		1.03		0.00		1.03	
	Less : Provision for contingencies	1.01	0.16	0.00	0.00	1.01	**0.16**	0.97	0.06	0.00	0.00	0.97	**0.06**
	Total		**6,150.54**		**470.90**		**6,621.44**		**5,314.72**		**397.42**		**5,712.14**

NOTE - Part A 10

REFORMATTED CONSOLIDATED CURRENT INVESTMENTS

(Rs. in crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Number	Amount		Number	Amount		Number	Amount		Number	Amount	
A.	**Equity Instruments (Quoted) (Face value of ` 10/- each fully paid up)**												
	- Valued for category at lower of cost or market value												
	PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02		4,39,349	2.28		489349	2.54		5,39,349	2.80	
	REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50		95,904	0.50		47952	0.5		47,952	0.50	
	Coal India Ltd. (Cost Price ₹ 358.58 per Share)	1,39,64,530	500.74		1,39,64,530	500.74		13964530	500.74		1,39,64,530	500.74	
	NHPC Limited (Cost Price ₹ 21.78 per Share)	26,05,42,051	567.50		26,05,42,051	567.50		0	0		0	0.00	
	Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76		0.00	1071.02		93.04	410.74		0.00	504.04
B.	**Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹ 10/- each fully paid up)**												
	- Valued in accordance with Para - 7.2 of Note Part - B - Consolidated Significant Accounting Policies												
	Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10		13,18,46,779	66.10		0	0		0	0.00	
	Less : Provision for diminution on Equity Instruments (Un-Quoted)		66.10	0.00		66.10	0.00		0.00	0		0.00	0.00
	GMR Chhattisgarh Energy Ltd.	27,50,00,000	275.00		27,50,00,000	275.00		0	0		0	0.00	
	Less : Provision for diminution on Equity Instruments (Un-Quoted)		275.00	0.00		20.49	254.51		0.00	0		0.00	0.00
C.	**Equity Instruments (Unquoted)**												
	Subsidiaries	1,70,000	0.17		2,40,000	0.24		0	0.00			0.00	
	Less : Provision for diminution		0.15	0.02		0.10	0.14		0.00	0.00		0.00	0.00
	TOTAL			**1070.78**			**1325.67**			**410.74**			**504.04**

NOTE - Part A 11

REFORMATTED CONSOLIDATED CASH AND BANK BALANCES

(Rs. in crore)

		Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
A		**Cash and Cash Equivalents**								
	i)	Balances in Current accounts with:								
		Reserve Bank of India	0.02		0.02		0.05		0.05	
		Scheduled Banks	157.35	157.37	151.18	151.20	141.87	141.92	138.25	138.3
	ii)	Cheques in hand		0.00		0.00		0		0.01
	iii)	Imprest with postal authority		0.00		0.00		0		0
	iv)	Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		532.95		3,073.14		3.73		4894.89
		Sub-total (A)		**690.32**		**3,224.34**		**145.65**		**5,033.20**
B		**Earmarked Balances:**								
	i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend etc.		11.04		458.41		6.41		1.36
	ii)	IPDS / R-APDRP								
		Balances in current accounts with scheduled banks		4.45		0.00		13.01		5.00
		Fixed Deposits with Banks		0		0		0		45.00
	iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00		0.00		30.97		0.00
		Sub-total (B)		**15.49**		**458.41**		**50.39**		**51.36**
C		**Other Balances**								
	i)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)		74.73		110.08		105.51		282.8
		Sub-total (C)		**74.73**		**110.08**		**105.51**		**282.80**
		Grand Total (A) + (B) + (C)		**780.54**		**3,792.83**		**301.55**		**5,367.36**

NOTE - Part A - 12

REFORMATTED CONSOLIDATED REVENUE FROM OPERATIONS

(Rs. in crore)

	Description	**As at 31.03.2018**		**As at 31.03.2017**		**As at 31.03.2016**		**As at 31.03.2015**	
I	**Interest**								
	Interest on Loans	26,252.88		26,650.50		27379.56		24828.11	
	Less : Rebate for Timely Payment to Borrowers	381.78		316.98		297.46		261.06	
	Less : Post COD Timely Payment Rebate	7.81	25,863.29	22.39	26,311.13	2.56	27079.54	0.00	24567.05
	Lease income		6.72		21.98		20.29		22.93
	Sub Total (I)		**25,870.01**		**26,333.11**		**27,099.83**		**24,589.98**
II	**Consultancy / Advisory Services**								
	Income from consultancy assignment		179.25		179.91		259.37		52.34
	Syndication and Debenture Trustee Fee		0.00		1.53		3.15		4.44
	Sub Total (II)		**179.25**		**181.44**		**262.52**		**56.78**
III	**Other Operating Income**								
	Income from surplus funds		56.70		112.37		105.73		140.30
	Interest on bonds		196.80		196.64		28.90		0
	Interest received on advances given to subsidiaries		18.19		12.54		12.29		9.37
	Profit on sale of Bonds of Borrowers		0.00		0.00		9.05		0
	Sale of goods		332.79		326.72		0		0
	Others		0.14		0.24		2.8		0.6
	Sub Total (III)		**604.62**		**648.51**		**158.77**		**150.27**
IV	**Other Financial Services**								
	Prepayment Premium on Loans		179.10		201.77		170.46		64.48
	Upfront Fee on Loans		46.03		38.80		21.58		16.34
	Management, Agency & Guarantee Fee		64.53		48.96		49.38		94.21
	Commitment charges on Loans		2.25		5.17		5.06		1.83
	Fee on account of GoI Schemes :-								
	Nodal Agency Fee - R-APDRP	0.65		2.24		0.66		(36.38)	
	Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40	34.51	35.17	5.82	(30.56)
	Sub Total (IV)		**322.30**		**318.10**		**281.65**		**146.30**
	Grand Total (I) + (II) + (III) + (IV)		**26,976.18**		**27,481.16**		**27,802.77**		**24,943.33**

NOTE - Part A - 13
REFORMATTED CONSOLIDATED OTHER INCOME

(Rs. in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Dividend Income	65.38	95.73	48.10	42.06
Others	24.84	22.11	14.97	13.83
Profit on sale of Fixed Assets	0.00	0.03	0.08	0.05
Profit on sale of Non-Current Investments	0.00	0.00	0.05	0.00
Profit on sale of Current Investments	0.78	0.50	0.44	1.31
Interest on Income Tax Refund	4.78	3.88	9.11	1.48
Miscellaneous Income	8.35	7.62	9.56	8.33
Excess Liabilities & Provisions written back	165.02	0.26	0.55	2.45
Processing Fee	0.00	0.00	0.14	0.09
Total	**269.15**	**130.13**	**83.00**	**69.60**

NOTE - Part A - 14

REFORMATTED CONSOLIDATED FINANCE COSTS

(Rs. in crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017		As at 31.03.2016		As at 31.03.2015	
I.	**Interest**								
	On Bonds	16,054.78		15,592.33		15071.06		12353.14	
	On Loans	334.25		355.46		646.68		2080.85	
	GOI on Interest Subsidy Fund	9.32		9.06		8.86		9.42	
	Financial Charges on Commercial Paper	482.71		389.72		277.43		288.47	
	Swap Premium (Net)	(34.95)	16,846.11	(23.42)	16,323.15	1.65	16005.68	60.53	14792.41
II.	**Other Charges**								
	Commitment & Agency Fee	1.13		0.79		0.67		0.61	
	Guarantee, Listing & Trusteeship Fee	3.42		3.38		2.13		2.35	
	Management Fees on Foreign Currency Loans	4.29		0.01		39.32		124.15	
	Bank / Other charges	0.00		0.00		0.01		0.02	
	Purchase of goods	267.23		265.68		0		0	
	Direct overheads	34.18		35.88		167.52		11.96	
	Interest paid on advances received from subsidiaries	5.93	316.18	6.35	312.09	5.11	214.76	5.64	144.73
III	Net Translation / Transaction Exchange Loss (+) / Gain (-)		246.67		310.55		424.94		514.19
IV	Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)		132.45		(178.15)		0		0
	Total (I + II + III+ IV)		**17,541.41**		**16,767.64**		**16,645.38**		**15,451.33**

NOTE - Part A - 15
REFORMATTED CONSOLIDATED BORROWING EXPENSES

(Rs. in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Application Money	0.03	0.00	11.51	0.18
Credit Rating Fee	4.96	4.65	4.2	3.73
Other Issue Expenses	15.76	14.04	11.23	21.28
Stamp Duty Fee	7.70	7.89	6.5	6.21
Total	**28.45**	**26.58**	**33.44**	**31.40**

NOTE - Part A - 16

REFORMATTED CONSOLIDATED EMPLOYEE BENEFIT EXPENSES

(Rs. in crore)

Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Salaries, Wages and Bonus	152.23	98.02	78.14	75.46
Contribution to Provident and other funds	19.70	15.76	13.53	11.51
Staff Welfare	15.08	13.36	9.68	9.39
Rent for Residential accommodation of employees	5.77	6.10	5.28	5.11
Total	**192.78**	**133.24**	**106.63**	**101.47**

NOTE - Part A - 17
REFORMATTED CONSOLIDATED OTHER EXPENSES

(Rs. in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Office Rent	6.97	4.99	1.00	1.20
Electricity & Water charges	2.09	1.85	1.94	1.80
Insurance	0.26	0.27	0.15	0.06
Repairs & Maintenance	12.52	5.96	4.02	3.38
Stationery & Printing	2.41	2.14	1.93	1.82
Travelling & Conveyance	18.52	12.87	10.12	9.00
Postage, Telegraph & Telephone	2.60	2.41	2.08	2.23
Professional & Consultancy charges	2.85	3.76	4.30	1.24
Miscellaneous Expenses	48.37	62.91	24.45	22.23
Loss on sale of Fixed Assets	0.42	0.19	0.17	0.02
Loss on Disposal of Investment	0.00	0.98	0.00	0.00
Auditors' Remuneration*	0.96	0.70	0.84	0.46
Service Tax	1.44	2.60	9.34	6.48
Rates & Taxes	1.88	3.25	1.12	1.10
Goods & Services Tax	5.45	0.00	0.00	0.00
Contribution to PMC (MoP)	0.28	0.41	0.51	0.34
Sub - Total (I)	**107.02**	**105.29**	**61.97**	**51.36**
Others				
R-APDRP Expenses	-	-	-	(36.91)
Sub - Total (II)	**-**	**-**	**-**	**(36.91)**
Total	**107.02**	**105.29**	**61.97**	**14.45**

Note - Part A -18

REFORMATTED CONSOLIDATED PRIOR PERIOD ITEMS (NET)

(Rs. in crore)

Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
Prior Period Expenses :								
Interest & other Charges	0.00		0.24		(0.02)		(6.06)	
Issue Expenses	0.00		0.00		0.00		(0.02)	
Personnel & Administration Expenses - CSR	0.00		0.00		0.00		0.00	
Personnel & Administration Expenses - Others	1.05		0.78		0.19		3.94	
Depreciation	(0.02)	**1.03**	0.22	**1.24**	0.00	**0.17**	0.00	**(2.14)**
Less : Prior Period Income :								
Interest Income	0.00		(0.19)		0.00		0.00	
Other Income	(0.01)	**(0.01)**	(0.04)	**(0.23)**	(2.23)	**(2.23)**	0.00	**0.00**
Total		**1.04**		**1.47**		**(2.06)**		**(2.14)**

Note - Part A -19				
REFORMATTED CONSOLIDATED TRADE RECEIVABLES				
				(Rs. in crore)
Description	**As at 31.03.2018**	**As at 31.03.2017**	**As at 31.03.2016**	**As at 31.03.2015**
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.				
(a) Secured, considered good;	0	0	0	0
(b) Unsecured, considered good;	228.74	166.03	49.16	9.57
(c) Doubtful	10.68	7.5	0.00	0.26
Less: Provision for bad and doubtful debts	10.68	7.5	0.00	0.26
Sub-Total (I)	**228.74**	**166.03**	**49.16**	**9.57**
Other Debts				
(a) Secured, considered good;	0	0	0	0
(b) Unsecured, considered good;	156.56	113.53	62.05	19.02
(c) Doubtful.	0.00	0.24	0	0
Less: Provision for bad and doubtful debts	0.00	0.24	0	0
Sub-Total (II)	**156.56**	**113.53**	**62.05**	**19.02**
Total	**385.30**	**279.56**	**111.21**	**28.59**

FY 2014-15

PART – B

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITION OF INCOME / EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.

2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.

2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for on receipt of the same.

3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

4. FIXED ASSETS / DEPRECIATION

4.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

4.3 Depreciation on assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as per Companies Act, 2013.

4.4 Items of fixed assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

5. INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company.

6. INVESTMENTS

6.1 Current investments are valued individually at lower of cost or fair value.

6.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

7 PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 PFC being a Government owned Non-Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

7.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any, when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008.

ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department, for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the Company shall follow the Government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

iv) Non servicing of part of dues due to dispute by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges, penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits, hire purchase and lease assets are given as under:

(i)	NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii)	NPA for a period exceeding 18 months	:	Doubtful asset
(iii)	When an asset is identified as loss asset or assets remain doubtful asset for a period exceeding 36 months, which ever is earlier	:	Loss asset

For the purpose of assets classification and provisioning:

a) Facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exceptions:

i) Government sector loans, where cash flow from each project are separately identifiable and applied to the same project, PFC shall classify such loans on project wise basis.

b) The amount of security deposits kept by the borrower with the PFC in pursuance to the lease agreement together with the value of any other security available in pursuance to the lease agreement may be deducted against the provisions stipulated above.

c) NPA subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of installments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

d) Interest restructuring which is normally done by PFC to help the borrowers to convert the past high cost debts into lower interest bearing debts will not be considered as re-schedulement / debt restructuring.

e) Facilities falling under paragraph 7.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

7.4 Provision against NPAs (assets other than Hire Purchase and Leased assets) is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion / facility including that guaranteed by the State / Central Government or by the State Government undertaking for deduction from central plan allocation or loan to state department.

Up to 1 year : 20%

1 – 3 years : 30%

(b) Unsecured* : 100%

* A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to state department would be treated as secured for the purpose of making provision.

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

7.5 The provisioning requirements in respect of hire purchase and leased assets shall be as per Para 9(2) of the Non–Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 1st July, 2013 and subsequent amendments issued from time to time.

The para 9(2) as mentioned above is reproduced hereunder-

Lease and hire purchase assets

(2) The provisioning requirements in respect of hire purchase and leased assets shall be as under:

Hire purchase assets

(i) In respect of hire purchase assets, the total dues (overdue and future installments taken together) as reduced by

(a) the finance charges not credited to the statement of profit and loss and carried forward as unmatured finance charges; and

(b) The depreciated value of the underlying asset, shall be provided for.

Explanation: For the purpose of this paragraph, the depreciated value of the asset shall be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of twenty per cent per annum on a straight line method; and in the case of second hand asset, the original cost shall be the actual cost incurred for acquisition of such second hand asset.

Additional provision for hire purchase and leased assets

(ii) In respect of hire purchase and leased assets, additional provision shall be made as under:

(a) where hire charges or lease rentals are overdue upto 12 months	Nil
(b) where hire charges or lease rentals are overdue for more than 12 months but upto 24 months	10 percent of the net book value
(c) where hire charges or lease rentals are overdue for more than 24 months but upto 36 months	40 percent of the net book value
(d) where hire charges or lease rentals are overdue for more than 36 months but upto 48 months	70 percent of the net book value
(e) where hire charges or lease rentals are overdue for more than 48 months	100 percent of the net book value

(iii) On expiry of a period of 12 months after the due date of the last installment of hire purchase/leased asset, the entire net book value shall be fully provided for.

7.6 Standard Assets (including for Hire Purchase & Leased assets)

[as per Para 9(A) of the Non –Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and subsequent amendments issued from time to time.]

Provision for standard assets* at 0.25 percent of the outstanding shall be made, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as ‘Contingent Provisions against Standard Assets’ in the balance sheet.

*For the purpose of provisioning on Standard Assets, Standard Assets shall mean Loans and advances classified as Standard Assets.

7.7 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the Company under the following stages:

a) Before commencement of commercial production

b) After commencement of commercial production but before the asset has been classified as sub-standard;

c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule* before COD** of the project in respect of Government Sector Entities, without any sacrifice*** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* including change in terms w.r.t payment of principal consequent to cost overrun funding

** Completion Date for projects where COD is not applicable.

*** The term “sacrifice” shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and / or rescheduling and / or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

Note

a) Satisfactory Performance means where no payment should remain overdue for a period of more than number of days after which it would be classified as NPA. In addition there should not be any overdue at the end of one year period. Further, the satisfactory performance is to be seen in respect of all the outstanding loan/facilities in the account.

b) Asset classification of sub-standard asset will not deteriorate upon rescheduling and/or renegotiation and/or restructuring whether in respect of instalments of principal amount or interest amount by whatever modality, if satisfactory performance is demonstrated during the period of one year under the restructuring and/or rescheduling and/or renegotiation terms.

c) In case, however, satisfactory performance after a period of one year is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule*.

*pre-restructuring payment schedule shall mean the date on which the loan asset became NPA on the first occasion.

(viii) Reversal of Provision:

The provisions* held by the non-banking financial companies against non-performing infrastructure loan, which may be classified as 'standard' in terms of paragraph 7.7(iii) above, shall continue to be held until full recovery of the loan is made.

*The provision which is made in a restructured / rescheduled / renegotiated account towards interest sacrifice.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) A facility which is backed by Central / State Government Guarantee or by state government undertaking for deduction from central plan allocation or a loan to state department.

b) Loans falling under paragraph 7.2(i).

(xii) Accounting Policy stated at 7.7 (i) to 7.7(xi) to be read with the following paragraphs:

a) PFC's restructuring norms approved by MoP will be applicable till 31.03.2017 for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters.

b) All new project loans (except covered under 7.7(xii) (a) above) sanctioned with effect from 01.04.2015 to generating companies, to be regulated by the RBI norms for restructuring and provisioning.

c) Loans (except covered under 7.7(xii) (a) above) already sanctioned upto 31.03.2015 will, continue to be subjected to PFC's restructuring norms approved by the Ministry of Power, however provisioning on loan assets of generating companies will be as per RBI norms.

8. FOREIGN EXCHANGE TRANSACTIONS

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.5 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

9.. DERIVATIVE TRANSACTIONS

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES:

10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

10.2 Where funds are first disbursed to the beneficiary, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

10.3 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

10.4 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

11. INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 The Company incurs expenditure for development work in the UMPPs / ITPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs / ITPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP / ITP is abandoned by the Ministry of Power, Government of India.

13. EMPLOYEE BENEFITS

13.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

13.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15 (Revised).

14. INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

15. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

16. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

Part – B

CONSOLIDTAED SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.2 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted when the right to receive has been established i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.

2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.

2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

4. TANGIBLE ASSETS/DEPRECIATION

4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	**Life of Assets**
Cell Phone[(1)]	2 Years
ESCO projects[(2)]	Project period
Lease Hold Improvements[(2)]	Lease Period

[(1)]Useful life has been taken as 2 years by the Company, PFCGEL (one of Company's Subsidiary) and EESL (one of Company's Joint Venture).
[(2)]Useful life taken by EESL.

4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

5. INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

6. INVESTMENTS

6.1 Current investments are valued individually at lower of cost or fair value.

6.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

7. Asset Classification and Provisions

7.1 **Asset Classification**

Loans & other credits and lease assets are classified into the following classes, namely:

7.1.1 Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

7.1.2 (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

<table>
<tr><th rowspan="2">As at</th><th rowspan="2">NPA
(loan assets excluding lease assets)</th><th colspan="3">NPA Sub-Categorization
(all loan assets including lease assets)</th></tr>
<tr><th>Sub-Standard</th><th>Doubtful</th><th>Loss</th></tr>
<tr><td>31st March 2016</td><td>Overdue for 5 months or more</td><td>NPA for a period not exceeding 16 months</td><td>NPA for a period exceeding 16 months</td><td>Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier</td></tr>
<tr><td>31st March 2017</td><td>Overdue for 4 months or more</td><td>NPA for a period not exceeding 14 months</td><td>NPA for a period exceeding 14 months</td><td rowspan="2">As per RBI norms.</td></tr>
<tr><td>31st March 2018 and thereafter</td><td>Overdue for 3 months or more</td><td>NPA for a period not exceeding 12 months</td><td>NPA for a period exceeding 12 months</td></tr>
</table>

(ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

7.2 **Provisioning against Standard Loans and NPAs**

7.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

S. No.	Description	Rate of Provision as at 31.03.2016
1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 7.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 100%
4.	Loss Asset if not written off	100%

7.2.2 As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

7.2.3 A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.

7.2.4 Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

7.3 **Provisioning against Restructured Loans**

7.3.1 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

7.3.2 For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

7.4 For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.

7.5 As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

8. FOREIGN CURRENCY TRANSACTIONS

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i)Expenses and income in foreign currency; and

(ii)Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

9. DERIVATIVE TRANSACTIONS

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

9.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

10.2 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

10.3 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

11. INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from subsidiaries **(**promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

13. EMPLOYEE BENEFITS

13.1 **Provident Fund, Gratuity, Pension Fund and Post-Retirement Benefits**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

13.2 **Other Employee Benefits**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

14. INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

15. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

16. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

Note - Part – B

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

(b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.1.3 In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.

2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.

2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

4. TANGIBLE ASSETS/DEPRECIATION

4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone(1)	2 Years
ESCO projects(2)	Project period
Lease Hold Improvements(3)	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCCL)

(1)Useful life has been taken as 2 years by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).
(2)Useful life taken by EESL.
(3)Useful life taken by EESL and PFCCL (one of Company's Subsidiary).

4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4.5 The Capital Expenditure Incurred on Fixtures & other fixed assets Installed at the leased premises are recognised at cost and are shown as Leasehold Improvements under Tangible fixed assets.

5. INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

6. INVESTMENTS

6.1 In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.

6.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

7. ASSET CLASSIFICATION AND PROVISIONS

7.1 BASIS OF ASSET CLASSIFICATION

Loans & other credits and lease assets are classified into the following classes, namely:

7.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

7.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31st March 2017	Overdue for 4 months or	NPA for a period not exceeding 14	NPA for a period exceeding 14	(a) Asset identified as loss asset by the Company or its internal

	more	months	months	or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
31st March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) The classification of project loans as a sub-standard asset has also been done as per the RBI norms for restructured advances.

(iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

7.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

7.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 7.3)	0.35%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
4.	Loss Asset if not written off	100%

7.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

7.2.3 Provision on hire purchase and lease assets is as per para13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

7.3 PROVISIONING AGAINST RESTRUCTURED LOANS

7.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

a) new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
b) all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to

be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

7.3.2 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

7.4 For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured Advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

7.5 As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

7.6 In case of PFCCL, the provision for doubtful debts and advances is made on the basis of on various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and managements assessment of the recoverability of the amount which are outstanding for at least two years. Such amounts are written off when considered unrealizable.

8. FOREIGN CURRENCY TRANSACTIONS

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

9. DERIVATIVE TRANSACTIONS

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

9.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

9.4 Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

10.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

10.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

11. INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

13. EMPLOYEE BENEFITS

13.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

13.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

14. INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

15. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

16. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2017-18

Note - Part – B (CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES)

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for, as per policy no. 7 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 2013, applicable regulatory norms / guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

(b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 As per applicable RBI directions , income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.1.3 As per applicable RBI directions, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.

2.4 Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.

2.5 Expenditure on issue of shares is charged to the securities premium account.

2.6 As per applicable RBI directions, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

2.7 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.8 Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.9 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.

2.10 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of the Company) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.

2.11 The sale proceeds from Request for Qualification (RFQ) documents for ITPs and UMPPs are accounted for when received.

2.12 Revenue from sale of goods is recognized at the time of delivery of goods to customers.

2.13 Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of Profit & Loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP /UJALA programme is charged to Statement of Profit and Loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/UJALA programme and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years.

3. PRELIMINARY EXPENDITURE

In case of PFCCAS, preliminary expenditure related to its formation is fully written off in the year in which it is incurred.

4. TANGIBLE ASSETS/DEPRECIATION

4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method*, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone(1)	2 Years
ESCO projects(2)	Project period
Lease Hold Improvements(3)	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCCL)
Residential Assets	3 years (in case of EESL)

* Depreciation is provided using Straight line method by EESL

(1) Useful life has been taken as 2 years by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

(2) Useful life taken by EESL

(3) Lease hold improvements are amortised on straight line basis.

4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4.5 The Capital Expenditure incurred on Fixtures & other fixed assets installed at the leased premises are recognised at cost and are shown as Leasehold Improvements under Tangible fixed assets.

5. CAPITAL WORK-IN-PROGRESS

Administrative and general overhead expenses specifically attributable to project incurred till they are ready for intended use are identified and allocated on a systematic basis to the cost of related assets.

6. INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years. In case of PFCCL, life is estimated as 3 years.

7. INVESTMENTS

7.1 As per applicable RBI directions, quoted current investments are valued category-wise, at lower of cost or market value.

7.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.

7.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

8. ASSET CLASSIFICATION AND PROVISIONS

8.1 BASIS OF ASSET CLASSIFICATION

Loans & other credit facilities and lease assets are classified into the following classes, namely:

8.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

8.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

<table>
<tr><th rowspan="2">As at</th><th rowspan="2">NPA
(loan assets excluding lease assets)</th><th colspan="3">NPA Sub-Categorization
(all loan assets including lease assets)</th></tr>
<tr><th>Sub-Standard</th><th>Doubtful</th><th>Loss</th></tr>
<tr><td>31st March 2017</td><td>Overdue for 4 months or more</td><td>NPA for a period not exceeding 14 months</td><td>NPA for a period exceeding 14 months</td><td rowspan="2">(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.</td></tr>
<tr><td>31st March 2018 and thereafter</td><td>Overdue for 3 months or more</td><td>NPA for a period not exceeding 12 months</td><td>NPA for a period exceeding 12 months</td></tr>
</table>

(ii) For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset is classified as NPA if it remains overdue for a period of 3 months or more.

8.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

8.2.1 The provisioning is made in respect of loans and other credit facilities as under:

S. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%

4.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
5.	Loss Asset if not written off	100%

8.2.2 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

8.2.3 Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

8.3 As regards PFCGEL, asset classification and provisioning norms in respect of loans and other credit facilities is in accordance with Prudential Norms issued by RBI.

8.4 In case of PFCCL, the provision for doubtful debts and advances is made on the basis of various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and management's assessment of the recoverability of the amounts which are outstanding for at least two years. Such amounts are written off when considered for write off after a period of 3 years from the date of provision, after taking Board approval in each case of such provision, where chance of recovery is Nil.

9. FOREIGN CURRENCY TRANSACTIONS

9.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

9.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

9.3 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period. In case of EESL, such exchange differences are recognized in the Statement of Profit and Loss.

10. DERIVATIVE TRANSACTIONS

10.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

10.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

10.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

10.4 Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the Statement of Profit and Loss.

11. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

11.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

11.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

11.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

12. INTEREST SUBSIDY FUND

12.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

12.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Statement of Profit & Loss, at rates specified in the Scheme.

13. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

13.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

13.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

13.3 Interest on amount recoverable from subsidiaries **(**promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

13.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

13.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

14. EMPLOYEE BENEFITS

14.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the Statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

14.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

15. INCOME TAX

15.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

15.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

16. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

17. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2014-15

Part – C

Consolidated Other Notes on Accounts

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Non-Banking Finance Company registered with RBI as an Infrastructure Finance Company.

2. The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:

Name of the Subsidiary Companies / Joint Venture Entities	Country of incorpora-tion	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2015	31.03.2014	01.04.2014 – 31.03.2015
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL)*	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited (EESL)	India	25%	25%	Unaudited

*The Group of Promoters (GoP) of National Power Exchange Limited (NPEL), comprising of NTPC, NHPC, TCS and PFC in their meeting dated 21.03.2014 decided to recommend voluntary winding up of NPEL to the Board of NPEL. The Board of Directors of PFC in their meeting held on 14th August, 2014 had approved the recommendation of the GoP. The voluntary winding up of NPEL is under process.

The company as on 31.03.2015 has an investment of ₹ 2.19 crore (as on 31.03.2014 ₹ 2.19 crore) in the equity share capital of NPEL against which a provision for diminution in value amounting to ₹ 1.06 crore (previous year Nil) has been made during the current year.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹in crore)
			31.03.2015	31.03.2014	
	Subsidiary Companies:				
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05
(v)	Chhattisgarh Surguja Power Ltd.	31.03.2008	100%	100%	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05
(x)	Cheyyur Infra Limited.	24.03.2014	100%	100%	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05
	Total				**0.55**

* Board of Directors of the Company, in its 322nd meeting held on 14th August, 2014, decided for winding up Tatiya Andhra Mega Power Limited, subject to approval of Ministry of Power, Government of India.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Following fellow subsidiaries (wholly owned subsidiary of PFCCL) has been transferred to successful bidder(s) on completion of the bidding process:

Sl. No.	Name of the Company	Date of Transfer
	Subsidiary Companies:	
1.	DGEN Transmission Company Ltd. (wholly owned subsidiary company of PFCC Limited)	17.03.2015

Further, seven subsidiary companies (wholly owned subsidiaries of PFCCL) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)
			31.03.2015	31.03.2014	
	Subsidiary Companies:				
1.	Ballabhgarh-GN Transmission Company Limited	21.10.2013	100%	100%	0.05
2.	Tanda Transmission Company Limited	21.10.2013	100%	100%	0.05
3.	Mohindergarh-Bhiwani Transmission Limited*	23.12.2014	100%	--	0.05
4.	Raipur-Rajnandgaon-Warora Transmission Limited*	23.12.2014	100%	--	0.05
5.	Sipat Transmission Limited*	23.12.2014	100%	--	0.05
6.	Chhattisgarh-WR Transmission Limited*	24.12.2014	100%	--	0.05
7.	South-Central East Delhi Power Transmission Limited*	18.02.2015	100%	--	0.05
	Total				**0.35**

* Incorporated as wholly owned subsidiary of PFCCL during FY 2014-15

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent liabilities:

(A) The details are as follows-

(₹ in crore)

S. No	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	Default guarantees issued in foreign currency - US $ 0.74 million (as on 31.03.2014 US $ 4.14 million)	4.69	25.07
(ii)	Guarantees issued in domestic currency	262.84	299.20
(iii)	Claims against the Company not acknowledged as debts	0.04	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	813.07	2,274.96
	Total	**1,080.64**	**2,599.27**

(B) Additional demands raised by the Income Tax Department totaling to ₹ 64.41 crore (as on 31.03.2014 ₹ 49.87 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 85.47 crore (as on 31.03.2014 ₹ 79.26 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) aggregating to ₹ 78.50 crore for Assessment Years 2001-02 to 2012-13 (as on 31.03.2014 ₹ 55.10 crore for Assessment Years 2001-02 to 2011-12) have been provided for and are being contested by the Company.

5. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 0.33 crore (as on 31.03.2014 Nil).

6. Ministry of Corporate Affairs (MoCA), Government of India, vide its Circular No. 6/3/2001 – CL.V dated 18.04.2002 prescribed adequacy of Debenture Redemption Reserve (DRR) as 50% of the value of debentures issued through public issue; subsequently, the MoCA through its circular No. 11/02/2012-CL-V(A) dated 11.02.2013 modified the adequacy of DRR to 25%. In this regard, the Company has requested the MoCA for clarification, which is awaited.

Meanwhile, The Companies (Share Capital and Debentures) Rules, 2014, with effect from 01.04.2014, also stated that for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no DRR is required in the case of privately placed debentures.

In view of above, the Company is creating DRR for public issue of bonds / debentures @ 50% for the issues for which prospectuses had been filed before 11.02.2013 and @ 25% for the subsequent public issues.

7. Foreign currency actual outgo and earning:

(₹ in crore)

S. No.	Description	During FY ended 31.03.2015	During FY ended 31.03.2014
A.	Expenditure in foreign currency		
i)	Interest on loans from foreign institutions*	206.75	230.47
ii)	Financial & Other charges*	118.89	9.56
iii)	Traveling Expenses	0.38	Nil
iv)	Training Expenses	0.18	0.25
B.	Earning in foreign currency	7.64	0.07

*excluding withholding tax

8. (A) As per the Accounting Standard - 'Related Party Disclosures' (AS 18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(i) Subsidiaries including companies promoted as Special Purpose Vehicles (SPVs) for Ultra-Mega Power Projects (UMPPs) and Joint Ventures (JVs):

S. No.	Name of the Companies	S. No.	Name of the Companies
A	**Subsidiary Companies***	**B**	**Joint Venture***
(i)	PFC Consulting Limited	(i)	National Power Exchange Limited
(ii)	PFC Green Energy Limited	(ii)	Energy Efficiency Services Limited
(iii)	PFC Capital Advisory Services Ltd		
(iv)	Power Equity Capital Advisors (Private) Limited		
C	**Subsidiary Companies promoted as SPVs for UMPPs***	**D**	**Subsidiaries of PFCCL***
(i)	Coastal Maharashtra Mega Power Limited	(i)	DGEN Transmission Company Limited (Till March 17, 2015) (Formerly DGEN & Uttrakhand Transmission Company Limited)
(ii)	Orissa Integrated Power Limited	(ii)	Patran Transmission Company Limited (Till November 13,2013)
(iii)	Coastal Karnataka Power Limited	(iii)	Purulia Kharagpur Transmission Company Limited (Till December 09,2013)
(iv)	Coastal Tamil Nadu Power Limited	(iv)	Darbhanga Motihari Transmission Company Limited (Till December 10,2013)
(v)	Chhattisgarh Surguja Power Limited	(v)	RAPP Transmission Company Limited till March 12, 2014
(vi)	Sakhigopal Integrated Power Company Limited	(vi)	Ballabhgarh-GN Transmission Company Limited
(vii)	Ghogarpalli Integrated Power Company Limited	(vii)	Tanda Transmission Company Limited
(viii)	Tatiya Andhra Mega Power Limited	(viii)	Sipat Transmission Limted
(ix)	Deoghar Mega Power Limited	(ix)	Raipur-Rajnandgaon-Warora Transmission Limited
(x)	Cheyyur Infra Limited.	(x)	Mohindergarh- Bhiwani Transmission Limited
(xi)	Odisha Infrapower Limited	(xi)	Chhatisgarh-WR Transmission Limited
		(xii)	South Central East Delhi Power Transmission Limited

*Govt. controlled entities as per AS-18.

(ii) Key managerial personnel (KMP):

Name	Period
PFC Limited	
Shri M K Goel, CMD, CEO and holding additional charge of Director (Commercial) $	with effect from 22.01.2015 (A/N)
Shri R Nagarajan, Director (Finance) and CFO $$	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects) $$	with effect from 13.07.2012
Shri Manohar Balwani, CS	with effect from 01.04.2014#
Subsidiary Companies	
Shri C Gangopadhyay, CEO, PFCCL	with effect from 03.12.2013
Shri C Gangopadhyay, Director, PECAP	with effect from 13.10.2009
Shri D Ravi, Director, PECAP	with effect from 29.03.2010
Shri A. Chakravarti, Director, PECAP	with effect from 11.10.2011
Shri A. Chakravarti, CEO, PFCGEL	with effect from 14.09.2012
Shri R. K. Chandiok, CFO, PFCGEL	from 15.05.2014 to 10.02.2015##
Smt. Rachna Singh, CS, PFCGEL	with effect from 01.04.2014 ###
Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri P Thakkar, Chairman, EESL	with effect from 10.12.2013

$ Chairman in PFCCL, PFCGEL and PFC CAS also

$$ Director in PFCCL, PFCGEL and PFC CAS also

Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

Joined PFCGEL on 01.02.2014, KMP from 15.05.2014 as per Companies Act 2013.

Joined PFCGEL on 26.12.2011, KMP from 01.04.2014 as per Companies Act 2014.

(B) Transactions with Related Parties

Managerial remuneration of KMP for the year ended 31.03.2015 is ₹ 3.74 crore (previous year ended 31.03.2014 ₹ 2.83 crore)

9. Disclosure as required by Clause 32 of Listing Agreements:

(A) Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2015*	Amount as on 31.03.2014*	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	8.99	7.88	9.10	7.88
Orissa Integrated Power Limited	105.29	92.97	111.77	106.62
Coastal Karnataka Power Limited	3.81	3.32	3.81	3.33
Coastal Tamil Nadu Power Ltd.	70.13	57.00	70.13	57.00
Chhattisgarh Surguja Power Limited	75.23	68.37	75.23	68.42
Sakhigopal Integrated Power Company Limited	5.54	4.50	5.54	4.50
Ghogarpalli Integrated Power Company Limited	4.79	3.89	4.67	3.89
Tatiya Andhra Mega Power Limited	8.37	11.28	11.65	11.30
Deoghar Mega Power Ltd	6.12	5.00	6.12	5.01
Cheyyur Infra Limited	0.01	0.01	0.01	0.01
Odisha Infra Power Ltd.	0.11	0.01	0.11	0.01
Subsidiaries Of PFCCL	2.34	2.79	2.79	2.79
Total	**290.73**	**257.02**	**300.93**	**270.76**

*Amount is in the nature of advances, does not include any loan.

(ii) The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2015	Amount as on 31.03.2014	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	59.79	56.47	59.79	56.47
Orissa Integrated Power Limited	72.57	67.57	72.57	67.57
Coastal Tamil Nadu Power Limited	68.72	63.72	68.72	63.72
Chhattisgarh Surguja Power Limited	66.17	61.16	66.17	61.16
Sakhigopal Integrated Power Company Limited	23.69	22.24	23.69	22.24
Ghogarpalli Integrated Power Company Limited	22.44	21.08	22.44	21.08
Tatiya Andhra Mega Power Limited	24.91	27.02	27.48	27.02
Total	**338.29**	**319.26**	**340.86**	**319.26**

(iii) To Firms / companies in which directors are interested : Nil

(iv) Where there is no repayment schedule or repayment beyond seven years : Nil

(v) Where no interest or interest as per Section 186 of the Companies Act, 2013 : Nil

(B) Investment by the loanee in the shares of PFC / Subsidiaries : Nil

10. Investment made in equity shares of Coal India Ltd.:

During the year, the Company has subscribed to 1,39,64,530 fully paid equity shares of Coal India Limited (CIL) of face value of ₹ 10/- per share under Offer for Sale route. The shares have been subscribed at a cost of ₹ 358.58/- per share aggregating to ₹500.74 crore.

11. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2015 is ₹ 58.38 crore (as on 31.03.2014 ₹ 54.63 crore), after transferring exchange difference of ₹ 14.11 crore (as on 31.03.2014 ₹ 16.56 crore).

12. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Foreign Currency (in millions)	
	31.03.2015	31.03.2014
USD	1,128	792
EURO	19	21
JPY	24,209	36,807

13. As required under AS-19, the disclosure with respect to various leases are as under:

(A) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total of future minimum lease payments recoverable (Gross Investments)	392.95	433.52
Present value of lease payments recoverable	212.27	242.54
Unearned finance income	**180.68**	**190.98**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	30.06	54.34
Later than one year and not later than 5 years	107.98	102.87
Later than five years	254.91	276.31
Total	**392.95**	**433.52**

Break up of present value of lease payments recoverable:-		
Not later than one year	10.06	33.15
Later than one year and not later than 5 years	36.18	33.11
Later than five years	166.03	176.28
Total	**212.27**	**242.54**

ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 1.78 crore as on 31.03.2015 (₹ 4.21 crore as on 31.03.2014). The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 4.43 crore as on 31.03.2015 (₹ 22.53 crore as on 31.03.2014). The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 7.62 crore as on 31.03.2015 (₹ 1.96 crore as on 31.03.2014). The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 379.12 crore as on 31.03.2015 (₹ 404.82 crore as on 31.03.2014). The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

(B) Operating Lease:

The Company's operating leases consist of:-

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees includes ₹ 5.11 crore (during year ended 31.03.2014 ₹ 4.71 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are as under:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2015	Year ended 31.03.2014
	Office & Accommodations	Office & Accommodations
Not later than one year	2.30	2.80
Later than one year and not later than 5 years	0.31	0.40
Later than 5 years	0.00	0.00
Total	**2.61**	**3.20**

14. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(A) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the 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 period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However, on the basis of the 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 the net excess amount of ₹ 7.02 crore and ₹ 61.32 crore as on 31.03.2015 (₹ 6.32 crore and ₹ 74.53 crore as on 31.03.2014) for IX and X Plan, 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 the respective scheme.

(B) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India 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 : -

Particulars	As on 31.03.2015	As on 31.03.2014
Opening balance of Interest Subsidy Fund (As on 1st day of the Financial Year)	123.87	145.78
Add : - Received during the period : - Interest credited during the period : - Refund by the borrower due to non – commissioning of project in time	-- 9.42 --	-- 10.70 --
Less : Interest subsidy passed on to borrowers Refunded to MoP: (a) Estimated net excess against IX Plan (b) Due to non- commissioning of Project in time (c) Estimated net excess against X Plan	21.94 -- -- --	32.61 -- -- --
Closing balance of interest subsidy fund	**111.35**	**123.87**

15. The Company had exercised the option under para 46A of the AS-11 - 'The Effects of Changes in Foreign Exchange Rates', to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2015 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) amounting to ₹ 380.56 crore (as on 31.03.2014 ₹ 709.21 crore) is shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item

16. Implementation of GoI Scheme:

(A) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is the Nodal Agency for operationalisation and associated service for implementation of the R – APDRP under which projects are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part A- along with interest thereon are convertible into grant as per applicable guidelines. Similarly, up to 50% (up to 90% for special category states) of the loan against Part –B project would be convertible into grant as per applicable guidelines. Enabling activities of the programme are covered under Part – C.

Amounts received from the Government of India 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-lended but not converted in to grants as per applicable guidelines will become payable along with interest to the GoI on receipt from the borrowers.

The details are furnished below:

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
A. GoI Loan under R-APDRP (Principal)						
Opening balance as on 1st day of the Financial Year	7,315.85	6,694.63	0.00	0.00	0.00	0.25
Additions during the period	578.47	640.00	578.47	640.00	0.00	0.00
Recoveries / refunds / changes during the period	(206.48)	(18.78)	(578.47)	(640.00)	0.00	(0.25)
Closing balance (A)	**7,687.84**	**7,315.85**	**0.00**	**0.00**	**0.00**	**0.00**
B. Interest Accrued but not due (Int. earned on FD)						
C. Interest on loan under R-APDRP						
(i) Accrued but not due						
Opening Balance	1,605.09	1,327.94				
Additions during the period	673.90	627.24				
Transfer to Accumulated Moratorium Interest	298.41	(340.43)				
Transfer to Interest Accrued and Due	(13.51)	(9.66)				
Closing Balance	2,563.89	1,605.09				

(ii) Accrued and due						
Opening Balance	3.69	0.00				
Additions During the period	16.59	9.66				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(16.60)	(5.97)				
Closing Balance	3.68	3.69				
Interest on loan under R-APDRP (C) = (i + ii)	**2,567.57**	**1,608.78**				
D. Accumulated Moratorium Interest						
Opening Balance	**338.92**	**0.00**				
Additions During the period	(301.58)	340.43				
Recoveries & refunds to GoI / Changes due to extension of project completion period	1.51	(1.51)				
Closing Balance (D)	**38.85**	**338.92**				
E.Interest on Accumulated Moratorium Interest						
(i) Accrued but not due						
Opening Balance	1.42	0.00				
Additions During the period	(0.92)	4.48				
Transfer to accrued and due	(0.35)	(3.06)				
Closing Balance	0.15	1.42				
(ii) Accrued and due						
Opening Balance	2.21	0.00				
Additions During the period	(1.88)	3.06				
Recoveries & refunds to GoI / Changes due to extension of project completion period	0.85	(0.85)				
Closing Balance	1.18	2.21				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**1.33**	**3.63**				
F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest						
(i) Interest on Interest						
Opening Balance	0.00	-				
Additions During the period	0.11	-				
Recoveries / refunds / changes during the period	(0.06)	-				
Closing Balance	0.05	-				
(ii) Interest on " Interest on Accumulated Moratorium Interest"		-				
Opening Balance	0.00	-				
Additions During the period	0.02	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	0.00	-				
Closing Balance	0.02	-				
(iii) Penal Interest		-				
Opening Balance	0.00	-				
Additions During the period	0.15	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	(0.10)	-				
Closing Balance	0.05	-				
Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest. (F) = (i + ii + iii)	**0.12**	**-**				
Closing Balance (A+B+C+D+E+F)	**10,295.71**	**9,267.18**	**0.00**	**0.00**	**0.00**	**0.00**

(ii) In line with the R – APDRP scheme approved by MoP, GoI, vide Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010, till 31.03.2013, Nodal Agency Fees under R – APDRP had been accounted for @ 1% of the sanctioned project cost in three stages - 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). Further, actual expenditure, including expenditure allocable on account of PFC manpower, incurred for operationalising the R– APDRP were reimbursed / reimbursable by Ministry of Power, Government of India. As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

Ministry of Power (MoP) vide letter dated 15.07.2013 informed that as per Department of Expenditure (DoE), Nodal Agency Fee for R-APDRP scheme for 12th plan may be restricted to 0.5% of the sanctioned project cost or actual expenditure, whichever is less.

Pursuant to various correspondence with MoP, a revised proposal was submitted to MoP vide letter dated 26.12.2014, wherein Company agreed to restrict its claims only to reimbursements of actual expenditure in line with norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 excluding Company's own manpower (Salary only) / administrative charges during XII / XIII Plan under R-APDRP. MoP vide letter dated 05.01.2015 directed the Company to intimate its final claim based on revised proposal of the Company. The Company, vide letter dated 02.02.2015, submitted its claim including balance claim pertaining to XIth plan and claim for the period from 01.04.2012 to 31.12.2014 (earlier shown as other expenses of the Company). The claim of the Company has been approved by MoP vide its letter dated 31.03.2015.

Accordingly, the Company has reversed Nodal Agency Fee for R-APDRP scheme for XIIth plan (upto FY 2013-14) amounting to ₹ 35.86 crore and has not recognized the fee pertaining to the current year.

As on 31.03.2015, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC is as under:-

(₹ in crore)

Particulars	During the FY ended 31.03.2015	During the FY ended 31.03.2014	Cumulative up-to	
			31.03.2015	31.03.2014
Nodal agency fee *	(36.38)#	18.50	127.41	163.79
Reimbursement of expenditure	41.20**	(21.81)	103.06	61.86
Total	**4.82**	**(3.31)**	**230.47**	**225.65**

*Exclusive of Service Tax

#Reversal for XIth & XIIth Plan ₹ 1.41 crore and ₹ 35.86 crore respectively, net of fee booked ₹ 0.89 crore for XIth Plan disbursement.

** Net of claim for FY 2012-13 to FY 2013-14 ₹ 36.91 crore (Accounted for as other expenses of the Company earlier and reversed as amount recoverable from MoP, GoI during the year), reversal / rectification ₹ (4.93) crore in respect of current and earlier years, and claim for FY 14-15 ₹ 9.22 crore .

(B) Integrated Power Development Scheme (IPDS)

Govt. of India (GoI) has launched IPDS for the Urban areas with the (i) Strengthening of Sub-transmission and Distribution network in urban areas including provisioning of solar panels on Govt. buildings including Net-metering, (ii) Metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network, as per CCEA approval dated 21.06.2013 for completion of the targets laid down under R-APDRP for XIIth and XIIIth Plans by subsuming R-APDRP in IPDS and carrying forward the approved outlay for R-APDRPto IPDS.

As per guidelines, approved by IPDS Monitoring Committee, constituted by Ministry of Power (MoP), GoI, the Company has been designated as the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the MoP. The role of the Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to the eligible utilities which can be recalled / pre closed subject to certain conditions mentioned in the IPDS guidelines.

The Company will be eligible for 0.5% of the total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under IPDS.

ii. 2nd installment: 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.

iii. 3rd installment: 20% of the nodal agency fee (i.e. 20% of 0.5% of approved project cost) after one year of claiming 2nd installment.

iv. 4th installment: 10% of the nodal agency fee (i.e. 10% of 0.5% of approved project cost) after completion of works.

The details are furnished below :

(₹ in crore)

Particulars	Amount of GoI grant admin-istered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Opening balance as on 1st day of the Financial Year	-	-	0.00	-	0.00	-
Additions during the period	-	-	50.00	-	0.01	-
Recoveries / refunds / changes during the period	-	-	0.00	-	0.00	-
Closing balance (A)	-	-	50.00*	-	0.01*	-

*Appearing as amount payable to GOI

17. The Company has been creating provision @ 0.25% of the outstanding standard loan assets (excluding outstanding restructured standard loan assets on which separate provision has been started during the year). As on 31.03.2015, the Standard Asset provision stands at ₹ 486.79 crore (₹ 469.48 crore as on 31.03.2014).

18. The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016.

    The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt.of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP) which inter-alia includes norms for Restructuring / Reschedulement / Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central / state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Further, for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, the provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018. This provision is in addition to the provision for diminution in fair value.

    The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination.

    Pending decision by RBI regarding implementation of R/R/R norms, the Company is following its own norms read with the manner of implementation as stated above.

    Accordingly, the Accounting policy related to Prudential Norms on R/R/R has been amended during the year ended 31.03.2015 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the year ended 31.03.2015 a provision has been made amounting to ₹ 564.44 crore, on qualifying loans. As on 31.03.2015, these loans comprise of private sector loan ₹ 20,524.91 crore and Govt. Sector loan Nil. Consequently, profit for the year ended 31.03.2015 has been reduced by ₹ 513.12 crore, after considering the existing provision on standard loan assets on these restructured loans.

19. (A) The Classification of Loan Assets (Gross) as per the Company's Prudential Norms is as under:

(₹ in crore)

S. No.	Asset Classification	As on 31.03.2015		As on 31.03.2014	
		Principal Outstanding	Provision as per Norms on Principal Outstanding	Principal Outstanding	Provision as per Norms on Principal Outstanding
(i)	Standard Assets	1,94,716.30	486.79	1,76,043.03	440.11
(ii)	Restructured Standard Assets	20,524.91	564.44	11,749.32	29.37
(iii)	Sub-standard Assets	1,209.37	120.93	103.83	10.38
(iv)	Doubtful Assets	1,145.34	343.60	1,114.97	222.99
(v)	Loss Assets	8.92	8.92	8.92	8.92
	Grand Total	**2,17,604.84**	**1,524.68**	**1,89,020.07**	**711.77**

(B) The details of provisions made as per Prudential Norms of the Company on loan assets and other assets are as under:

(₹ in crore)

S. No.	Particulars	During the FY ended 2014-15	During the FY ended 2013-14
(i)	Provision on Standard Assets	17.31	336.69
(ii)	Provision on Restructured Standard Assets	564.44	0.00
(iii)	Provision on NPAs (Loan Assets)	231.16	120.82
(iv)	Provision on NPAs (Other Assets)	30.16	12.44
	Total	**843.07**	**469.95**

(C) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated (R/R/R) Loans:

The Restructured Standard Assets as on 31.03.2015 includes 3 loan assets amounting to ₹2,753.50 crore, classified as unsecured. These loans carry adequate security as on 31.03.2015 in form of charge on assets etc., but require completion of full security creation process as per the sanction terms. Hence, these are classified as unsecured. As these loans carry adequate security coverage as on 31.03.2015, there is no short fall in security. Provision on these R/R/R assets has been created @2.75% and no further provision for any shortfall in security is required.

20. Details of Restructured Accounts

(₹ in crore)

S. N.	Type of Restructuring#		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 01, 2014	No. of borrowers	-	-	-	-	-	9	2	2	0	**13**	9	2	2	0	**13**
		Amount outstanding (Restructured facility)	-	-	-	-	-	11749.32	103.83	1114.97	0	**12968.12**	11749.32	103.83	1114.97	0	**12968.12**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	103.83	0	**103.83**	0.00	0.00	103.83	0	**103.83**
		Provision Thereon	-	-	-	-	-	0.00	10.38	243.76	0	**254.14**	0.00	10.38	243.76	0	**254.14**
2	Movement of balance in account appearing in opening balance	No. of borrowers	-	-	-	-	-	9	0	2	0	**11**	9	0	2	0	**11**
		Amount outstanding (Restructured facility)	-	-	-	-	-	1692.88	0.00	5.49	0	**1698.37**	1692.88	0.00	5.49	0	**1698.37**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	65.95	0	**65.95**	0.00	0.00	65.95	0	**65.95**
		Provision Thereon	-	-	-	-	-	369.66	0.00	143.31	0	**512.97**	369.66	0.00	143.31	0	**512.97**
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	6	0	0	0	**6**	6	0	0	0	**6**
		Amount outstanding (Restructured facility)	-	-	-	-	-	7082.71	0.00	0.00	0	**7082.71**	7082.71	0.00	0.00	0	**7082.71**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	194.77	0.00	0.00	0	**194.77**	194.77	0.00	0.00	0	**194.77**
4	Up gradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-1	0	0	0	**-1**	-1	0	0	0	**-1**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
6	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	-1	1	0	**0**	0	-1	1	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	-27.20	24.88	0	**-2.32**	0.00	-27.20	24.88	0	**-2.32**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	-2.72	7.46	0	**4.74**	0.00	-2.72	7.46	0	**4.74**
7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
8	Restructured accounts as on March 31, 2015	No. of borrowers	-	-	-	-	-	14	1	3	0	**18**	14	1	3	0	**18**
		Amount outstanding (Restructured facility)	-	-	-	-	-	20524.91	76.63	1145.34	0	**21746.88**	20524.91	76.63	1145.34	0	**21746.88**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	169.78	0	**169.78**	0.00	0.00	169.78	0	**169.78**
		Provision Thereon	-	-	-	-	-	564.44	7.66	394.53	0	**966.63**	564.44	7.66	394.53	0	**966.63**

21.The status of net deferred tax assets / liabilities as per Accounting Standard 22 Accounting for Taxes on Income is given below :

(₹ in crore)

Description	As on 31.03.2015	As on 31.03.2014
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	11.34	24.11
(ii) Preliminary Expenses	0.31	0.46
(iii) Employee related Provision	0.65	0.00
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	(0.32)	(1.49)
(ii) Lease income	(72.19)	(79.95)
(iii) Amortization	(0.60)	(0.83)
(iv) Unamortized Exchange Loss (Net)	(127.46)	(215.30)
Net Deferred Tax liabilities (-)/Assets (+)	**(188.27)**	**(273.00)**

22. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earnings Per Share (basic and diluted) is as under:-

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit after tax used as numerator (₹ in crore)	6004.40	5,461.84
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,31,803
Diluted effect of outstanding Stock Options	0.00	7,525
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,39,328
Earning per share (basic) (₹)	45.49	41.38
Earning per share (diluted) (₹)	45.49	41.38
Face value per share (₹)	10	10

23. The Company, its subsidiaries and Joint ventures (except one of the subsidiary, PFC Consulting Limited) where principal amount due is ₹ 0.02 crore (as on 31.03.2014 ₹ 0.10 crore) have no outstanding liability towards Micro, Small and Medium enterprises.
24. Leasehold land is not amortized, as it is a perpetual lease.
25. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	As on 31.03.2015	As on 31.03.2014
(i)	USD / INR	63.06	60.49
(ii)	JPY / INR	0.5263	0.5903
(iii)	EURO / INR	68.42	83.48

In case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

26. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust to ensure a minimum rate of return to the members as specified by GoI. However, any short fall 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 take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrue on half yearly basis @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) are as on 31.03.2014}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Interest cost on benefit obligation	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Expected return on plan assets	-1.54 (-1.28)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.21 (-0.50)	2.11 (1.54)	1.16 (2.65)
Expenses recognised in Statement of Profit & Loss Account*	0.21 (0.86)	3.63 (2.75)	5.06 (6.17)

* During the year expenses includes ₹0.02 crore (as on 31.03.2014 ₹0.07 crore), ₹0.42 crore (as on 31.03.2014 ₹0.58 crore) and ₹0.34 crore (as on 31.03.2014 ₹0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet:

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 31.03.2015 (i)	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Fair value of plan assets as on 31.03.2015 (ii)	19.15 (17.12)	0.00 (0.00)	(0.00) (0.00)
Difference (ii) – (i)	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)
Net asset / (liability) recognized in the Balance Sheet	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 01.04.2014	17.98 (16.16)	11.75 (9.50)	20.66 (20.39)
Interest cost	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Benefits paid	-0.47 (-0.51)	-0.80 (-0.50)	-2.30 (-5.90)
Net actuarial (gain)/loss on obligation	-1.11 (-0.31)	2.11 (1.54)	1.16 (2.65)
Present value of the defined benefit obligation as at 31.03.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)

iv) Changes in the fair value of plan assets

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Fair value of plan assets as on 01.04.2014	17.12 (14.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.54 (1.28)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.86 (1.48)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.47 (-0.51)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.09 (0.20)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as on 31.03.2015	19.14 (17.12)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore

Cost decrease by 1% ₹ (2.19) crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 0.21 crore, to PRMS of ₹ 3.63 crore, to ave ₹ 5.06 crore and to pension Nil (during the year ended 31.03.2014 towards contribution to the Gratuity Trust of ₹ 0.86 crore, to PRMS of ₹ 2.75 crore, to leave ₹ 6.17 crore and to pension ₹nil crore). Above amount includes ₹ 0.02 crore (as on 31.03.2014 ₹ 0.07 crore), ₹ 0.42 crore (as on 31.03.2014 ₹0.58 crore) and ₹ 0.34 crore (as on 31.03.2014 ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

G. Other Employee Benefits:-

During the year, provision of ₹ 0.01 crore (during the year ended 31.03.2014 ₹ -0.05 crore) has been made for Economic Rehabilitation Scheme (ERS) for Employees and provision of ₹ 0.92 crore has been made for Long Service Award (LSA) for employees (during the year ended 31.03.2014 ₹ 0.74 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss.

H. Details of the Plan Asset:- Gratuity

The details of the plan assets at cost, as on 31.03.2015 are as follows:-

(₹ in crore)

S.No.	Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(i)	Government Securities	10.91	9.69
(ii)	Corporate bonds / debentures	7.54	6.82
	Total	**18.45**	**16.51**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
Future salary increase*	6.00%

* The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

I. Till FY 2013-14, the employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFC GEL and PFCCL on deputation / secondment basis were being allocated on actuarial basis and recognized as recoverable (from these subsidiaries) by the Company. During the FY 2014-15, the practice has been changed with effect from 01.01.2007, whereby amount recoverable from subsidiaries, on account of above stated employee benefits, has been mutually worked out at a fixed percentage of employee cost.

J. Other Disclosure:

(₹ in crore)

Gratuity*	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	19.36	17.98	16.16	14.03	12.69
Fair value of plan assets as on	19.14	17.12	14.67	12.95	10.57
Surplus/(Deficit)	(0.21)	(0.86)	(1.48)	(1.08)	(2.13)
Experience adjustment on plan liabilities (loss)/ gain	1.10	0.31	0.31	0.23	(0.79)
Experience adjustment on plan assets (loss)/gain	1.64	0.26	0.02	0.17	0.19

(₹ in crore)

PRMS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	14.58	11.75	9.50	8.33	7.13
Experience adjustment on plan liabilities (loss)/ gain	(2.12)	(1.54)	(0.16)	(0.78)	(0.17)

(₹ in crore)

Leave	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	23.42	20.66	20.39	17.74	15.47
Experience adjustment on plan liabilities (loss)/ gain	(1.18)	(2.63)	(1.50)	(0.58)	(0.65)

(₹ in crore)

LSA	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	4.49	4.04	3.71	3.33	2.75
Experience adjustment on plan liabilities (loss)/ gain	0.67	0.46	0.80	-	-

(₹ in crore)

ERS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	1.24	1.24	1.31	1.24	1.26
Experience adjustment on plan liabilities (loss)/ gain	0.38	0.46	0.43	-	0.40

(₹ in crore)

Baggage Allowance	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	0.10	0.09	0.08	0.07	0.05
Experience adjustment on plan liabilities (loss)/ gain	0.02	0.01	0.01	-	-

*The Company's best estimate of the contribution towards gratuity for the financial year 2015-16 is ₹0.68 crore. Actual return on plan assets during the year ended 31.03.2015 is ₹1.64 crore (previous year ₹1.47 crore). Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

27. Details of provision as required in Accounting Standard – 29, {Figures in brackets ( ) are as on 31.03.2014}, are as under :

(₹ in crore)

Provision for	Opening Balance (as on 1st April of the FY) (1)	Addition during the year (2)	Paid / adjusted during the year (3)	Closing Balance 4 = (1+2-3)
Post-Retirement Medical Scheme	11.75 (9.50)	3.63 (2.75)	0.80 (0.50)	14.58 (11.75)
Gratuity	0.88 (1.48)	0.21 (0.88)	1.01 (1.48)	0.08 (0.88)
Provision for super annuation benefit (Pension)	0.08 (0.15)	0.00 (0.00)	0.01 (0.07)	0.07 (0.08)
Leave Encashment	20.73 (20.41)	5.20 (6.22)	2.37 (5.90)	23.56 (20.73)
Economic Rehabilitation Scheme for employee	1.24 (1.31)	0.01 (-0.05)	0.01 (0.02)	1.24 (1.24)
Bonus / Incentives / Base Line Compensation	20.19 (29.83)	12.09 (12.44)	19.83 (22.08)	12.45 (20.19)
Baggage Allowances	0.09 (0.08)	0.01 (0.01)	0.00 (0.00)	0.10 (0.09)
Service Award	4.04 (3.71)	0.92 (0.74)	0.47 (0.41)	4.49 (4.04)
Income Tax	4,639.16 (3,420.56)	2,529.69 (2,103.77)	945.96 (885.17)	6,222.89 (4,639.16)
Proposed Final Dividend	26.40 (132.00)	79.20 (26.40)	26.40 (132.00)	79.20 (26.40)
Proposed Corporate Dividend Tax	4.49 (22.43)	16.12 (4.49)	4.49 (22.43)	16.12 (4.49)

28. Pursuant to the requirements of the Companies Act 2013, followed by clarification from Department of Public Enterprises (DPE), the Company amended its CSR and Sustainability policy during the year. Accordingly, during the year, a CSR provision amounting to ₹ 118.50 crore (previous year ₹ 63.23 crore including reversal of CSR and SD reserve amounting to ₹ 18.85 crore as on 31.03.2013) has been made at the rate 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years. During the FY 2014-15, an amount of ₹ 50.75 crore (previous year ₹ 46.52 crore) has been disbursed against CSR activities.

    As on 31.03.2015, the CSR and SD provisions stands at ₹ 114.46 crore (previous year ₹ 32.33 crore) after adjusting an amount of ₹ 36.37 crore (previous year ₹ 30.90 crore) during the year on account of CSR claims.

29. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies' During the year, following changes in Part – B- Consolidated Significant accounting policies have been made:

    (i) Policy no. C 1, Basis for Preparation of Financial Statements, has been aligned with the Companies Act, 2013. There is no financial impact due to this change.

    (ii) Policy no. C 2.7, regarding adjustment of repayment against earliest disbursement is deleted since the same is covered under Policy no. C 2.6. There is no financial impact due to this change.

    (iii) Policy no. C 4.3, Fixed assets / Depreciation, has been aligned with the Companies Act, 2013. There is no financial impact due to this change. The financial impact on account of change in estimate has been disclosed at note 35.

    (iv) Policy no. C 5.1, Intangible Assets / Amortization, has been aligned with the presentation followed by the Company. There is no financial impact due to this change.

    (v) Policy no. C 6, Investments, has been modified to bring in more clarity. There is no financial impact due to this change.

    (vi) Policy no. C 7.4 (ii) (a) has been modified to avoid overlapping with policy no. C 7.3 (iii). There is no financial impact due to this change.

(vii) Policy no. C 7.7.(i), Restructuring, Reschedulement or Renegotiation of term(s) of loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(viii) Policy no. C 7.7.(vii), Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(ix) Policy no. C 7.7.(xii), regarding provisioning on Restructured / Rescheduled / Renegotiated standard asset, has been added to align with the changes in the Prudential Norms of the Company. The financial impact has been disclosed at note 18 supra.

(x) Policy no. C 10, Accounting of Government of India Schemes, has been amended to align with the nature of transaction governed under the policy related to GoI schemes such as RAPDRP, IPDS. There is no financial impact due to this change.

(xi) Policy no. C 11, R-APDRP Fund, has been deleted since the same is covered under amended Policy no. C 10. There is no financial impact due to this change.

(xii) Policy no. C 12.5, regarding income on development of Request for Qualification (RFQ) document / Request for Proposal (RFP) document, has been deleted since the same is no more relevant. There is no financial impact due to this change.

(xiii) Policy no. C 16, Cash and Cash Equivalents, has been added to bring in more clarity. There is no financial impact due to this change.

30. (A) Interim Dividend

The Board of Directors in their 330th meeting held on 27.02.2015 declared interim dividend at the rate of 85% i.e. ₹ 8.50/- per equity share of ₹10/- each amounting to ₹1,122.04 crore for the FY 2014-15.

(B) Proposed Final Dividend

The final dividend proposed for the year is as follows:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
On Equity Shares of ₹ 10 each		
-Amount of Dividend proposed (₹ in crores)	79.20	26.40
-Rate of Dividend	6.00%	2.00%
-Dividend per equity share (₹)	0.60	0.20

C) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

Particulars	Interim Dividend		Final Dividend	
Year to which the dividend relates	2013-14	2012-13	2013-14	2012-13
Number of non-resident shareholders	2,359	2,421	2,460	2,452
Number of shares held by them of Face Value of ₹ 10 each	14,36,22,601	14,63,82,692	15,81,53,992	15,42,59,825
Gross amount of Dividend in (₹ in crore)	126.39	87.83	3.16	15.43

31. The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing the practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.

The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. The response in this regard is still awaited.

Meanwhile, the Company vide letter dated 19.02.2015 has again requested CERSAI to remove the practical difficulties in entering the data in the web portal of CERSAI. The response is still awaited.

32. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore (Previous Year ₹Nil) became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended on 31.03.2015. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.

33. During the year, letters were sent to various parties for seeking confirmation of balances. Confirmation from few parties is awaited and in one case which is sub-judice.

34. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2015.

35. The value of invoices raised by one of the subsidiaries pursuant to execution of contract agreement/ issue of letter of award in respect whereof no income have been recognised and no amount received have been set off from assets and liabilities amounting to ₹ 7.33 crore (Previous year ₹ 4.40 crore) respectively.

36. The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their unaudited accounts.

37. Effective from 1st April 2014, depreciation on assets is provided on original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as per Companies Act, 2013. In respect of life expired assets, an amount of ₹ 1.93 crore (net of deferred tax) has been charged to retained earnings as per Companies Act, 2013.

38. The Company, its subsidiaries and joint ventures does not have more than one reportable segment in terms of Accounting Standard 17 on Segment Reporting.

39. Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.

40. Figures have been rounded off to the nearest crore of rupees with two decimals.

41. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company and all other subsidiaries and JVs provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act 2013.

It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method.

42. Additional Disclosures in accordance with RBI Directions on Corporate Governance in respect of NBFCs in the group i.e. PFC Limited and PFC Green Energy Limited.

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Investments

(₹ in crore)

Sl. No.	Particulars			As on 31.03.2015	As on 31.03.2014
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	852.38	352.17
		(b)	Outside India	0.00	0.00
	(ii)	Provisions for Depreciation			
		(a)	In India	1.06	0.00
		(b)	Outside India	0.00	0.00
	(iii)	Net Value of Investments			
		(a)	In India	851.32	352.17
		(b)	Outside India.	0.00	0.00
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		0.00	0.15
	(ii)	Add : Provisions made during the year		1.06	0.00
	(iii)	Less : Write-off / write-back of excess provisions during the year		0.00	0.15
	(iv)	Closing balance		1.06	0.00

(C) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	The notional principal of swap agreements	9,541.10	11,442.78
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	74.47	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	N/A	N/A
(iv)	Concentration of credit risk arising from the swaps	N/A	N/A
(v)	The fair value of the swap book	42.13	(407.83)

II. The Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. The Company has put in place Currency Risk Management policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes the structure and organization for management of associated risks.

b. The Company enters into derivatives transactions to mitigate exchange rate risk in foreign currency liabilities and interest rate risk in rupee and foreign currency liabilities. A system for reporting and monitoring of risks is in place.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The Mark to Market positions mentioned are those as informed by the counterparties.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ in Crore)

Sl. No.	Particular	As on 31.03.2015		As on 31.03.2014	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[(1)]	1,595.42	9,541.10	2,662.71	11,442.78
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	12.86	86.05	90.44	4.37
	b) Liability (-MTM)	294.66	43.92	269.49	412.20
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures[(2)]	8,830.84	6,608.82	7,397.24	3,892.76

[(1)]Interest rate derivatives include derivatives on Rupee liabilities of ₹7,964.60 crore (Previous year ₹7,964.60 crore).

[(2)]Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹1,008.96 crore (Previous year ₹1,482.01 crore)

(D) Disclosures related to Securitisation

I. The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as on 31.03.2015 (Previous year Nil).

II. The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2015 (Previous Year Nil).

III. The Company has not undertaken any assignment transaction during the year ended 31.03.2015 (Previous Year Nil).

IV. The Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2015 (Previous Year Nil)

(E) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Particulars	Up to 30 / 31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances [(1)]	2,774.17	289.41	409.98	3,309.26	9,013.01	36,690.98	40,174.08	1,24,630.60	2,17,291.49
Investments	0.00	0.00	0.00	0.00	504.04	0.00	0.00	347.29	851.33
Borrowings[(2)]	6,009.67	4,154.50	2,885.00	302.80	10,212.78	41,704.41	40,714.85	72,416.83	1,78,400.84
Foreign Currency assets	7.90	0.00	0.00	14.59	16.41	37.67	92.06	144.72	313.35
Foreign Currency liabilities	4.51	0.00	6.52	1,576.50	463.64	3,084.13	1,614.63	2,980.72	9,730.65

[(1)] Rupee Loan Assets

[(2)] Rupee Liabilities

(F) Exposures

I. The Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Particulars	Amount as on 31.03.2015	Amount as on 31.03.2014
(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);	844.70	344.49
(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;	Nil	Nil
(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;	1,076.71	200.00
(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);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	2,097.82	1,317.44
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	7.68	7.68
	Total Exposure to Capital Market	**4,026.91**	**1,869.61**

III. Details of financing of parent company products:

The Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2014-15 and FY 2013-14.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as on 31.03.2014 (Previous Year Nil).

(G) Registration obtained from other financial sector regulators

The Company is a Government Company and is registered with RBI as NBFC-ND-IFC (Non-Banking Finance Company – Non Deposit Accepting - Infrastructure Finance Company).

(H) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2015 (Previous Year), no penalty has been imposed on the Company by SEBI and RBI.

(I) Credit rating

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as on 31.03.2015:

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

[1]During the year ended 31.03.2015, S&P has revised its outlook from Negative to Stable.

(J) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Part A-18 and C-29 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(K) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Reference may be made to significant accounting policy number 2.1 of Part B of notes to accounts.

(L) The Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21. Reference may be made to Part C – 2 & 2.1 of notes to accounts in this regard.

(M) Provisions and Contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	During the FY ended 31.03.2015	During the FY ended 31.03.2014
Provisions for depreciation on Investment	1.06	(0.15)
Provision towards NPA	261.32	133.26
Provision made towards Income Tax	2,516.17	2,087.30
Provision on Standard Assets	17.31	336.69
Provision on Restructured Standard Assets	564.44	0.00

(N) Draw Down from Reserves

Reference may be made to Part C-35 of notes to accounts in this regard.

(O) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs)

The Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Advances to 20 largest borrowers	1,34,557.86	1,23,477.26
Percentage of Advances to 20 largest borrowers to Total Advances of the company	61.84	65.32

c. Concentration of Exposures:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to twenty largest borrowers / customers	2,02,894.88	2,08,425.14
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	55.86	61.08

d. Concentration of NPAs:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to top four NPA accounts	2,228.64	1,218.80

e. Sector-wise NPAs

The Company is a Government Company engaged in extending financial assistance to power sector. As on 31.03.2015, the percentage of NPAs to total loan assets stand at 0.87% (Previous year 0.52%).

(P) Movement of NPAs in respect of Loan Assets

(₹ in crore)

Sl. No.	Particulars	FY 2014-15	FY 2013-14
(i)	Net NPAs to Net Advances (%)	0.87	0.52
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,227.71	1,134.52
	(b) Additions during the year	2,482.92	1,418.44
	(c) Reductions during the year	1,347.00	1,325.25
	(d) Closing balance	2,363.63	1,227.71
(iii)	Movement of Net NPAs		
	(a) Opening balance	985.42	1,013.04
	(b) Additions during the year	2,229.69	1,261.69
	(c) Reductions during the year	1,324.93	1,289.31
	(d) Closing balance	1,890.18	985.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	242.29	121.48
	(b) Provisions made during the year	365.63	253.34
	(c) Write-off / write-back of excess provisions	134.47	132.53
	(d) Closing balance	473.45	242.29

(Q) The Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(R) Reference may be made to Part C-8(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(S) Customer Complaints for FY 2014-15

Sl. No.	Particulars	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

	FY 2015-16 **Part – C** **Consolidated Other Notes on Accounts**
1.	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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.
2.	The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	**Country of incorporation**	**Proportion of shareholdings as on**		**Status of accounts & Accounting period**
		31.03.2016	**31.03.2015**	**01.04.2015 – 31.03.2016**
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)[(i)]	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)[(i)]	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)[(ii)]	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL)[(iii)]	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited (EESL)[(iv)]	India	28.79%	25%	Unaudited

[(i)] Decision to merge PFCCAS with PFCCL has been referred to Ministry of Power (MoP), Govt. of India (GoI). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.

[(ii)]Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

[(iii)]The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).

[(iv)]Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.

2.1	The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Subsidiary Companies:					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	NA	0.05	--
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	NA	0.05	--
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	NA	0.05	--
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	NA	0.05	--
	Total				**0.75**	**0.55**

* Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, GoI.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 9 subsidiary companies (out of 12 wholly owned subsidiaries of PFCCL, 3 were transferred to successful bidders during FY 2015-16) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Subsidiary Companies:						
1.	Ballabhgarh-GN Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
2.	Tanda Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
3.	Mohindergarh-Bhiwani Transmission Limited	23.12.2014	--	100%	100%	0.05	0.05
4.	Raipur-Rajnandgaon-Warora Transmission Limited[i]	23.12.2014	23.11.2015	--	100%	--	0.05

5.	Sipat Transmission Limited[(i)]	23.12.2014	23.11.2015	--	100%	--	0.05
6.	Chhattisgarh-WR Transmission Limited[(i)]	24.12.2014	23.11.2015	--	100%	--	0.05
7.	South-Central East Delhi Power Transmission Limited	18.02.2015	--	100%	100%	0.05	0.05
8.	Odisha Generation Phase-II Transmission Limited[(ii)]	17.04.2015	--	100%	--	0.05	--
9.	Warora-Kurnool Transmission Limited[(ii)]	20.04.2015	--	100%	--	0.05	--
10.	Gurgaon-Palwal Transmission Limited[(ii)]	26.10.2015	--	100%	--	0.01	--
11.	Kohima-Mariani Transmission Limited[(ii)]	22.01.2016	--	100%	--	0.01	--
12.	Medinipur-Jeerat Transmission Limited[(ii)]	22.01.2016	--	100%	--	0.01	--
	Total					**0.33**	**0.35**

[(i)] Transferred to successful bidder(s) on completion of the bidding process:

[(ii)]Incorporated as wholly owned subsidiary of PFCCL during FY 2015-16.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US $ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.75	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	446.22	813.07
	Total	**672.97**	**1,080.64**

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

3.2 Commitments

Estimated amount of contract remaining to be executed on capital account, not provided for, is ₹ 84.23 crore (Previous year ₹ 15.32 Crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50$

* Pertaining to Assessment Year 2001-02 to 2013-14.

$ Pertaining to Assessment Year 2001-02 to 2012-13.

5. A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document.

B. The Company is creating Debenture Redemption Reserve (DRR) 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.

C. 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 borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2016 and 17.03.2016 respectively.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.68
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
B.	**Earning in foreign currency**	-	7.64

*excluding withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
Total		**10,070.22**		**8,514.73**

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

S. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Power Finance Corporation Limited	
Shri M K Goel*, CMD and CEO(i)	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO(ii)	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects)(iii)	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial)(iv)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014
Subsidiary Companies	
Shi C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013
Shi C Gangopadhyay, Director, PECAP	With effect from 13.10.2009
Sh. A. Chakravarti, Director, PECAP	With effect from 11.10.2011
Sh. A. Chakravarti, CEO, PFCGEL	With effect from 14.09.2012 till 18.05.2015
Sh. Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Sh. Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Sh. P Thakkar, Chairman, EESL	with effect from 10.12.2013 to 12.10.215
Sh. Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015
Sh. Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016
Sh. S N Gaikwad, Director (Projects)	with effect from 05.02.2016

(i)Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013.

(ii)Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011)also

(iii)Director in PFCCL (w.e.f 23.09.2013), PFCGEL (w.e.f 03.08.2012), and PFC CAS (w.e.f 19.09.2013) also

(iv)Director in PFCCL (w.e.f 01.12.2015), PECAP (w.e.f 29.03.2010), and Additional Director PFCGEL (w.e.f 01.12.2015).

*Holding additional charge of Director (Commerical) upto 16.11.2015.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 3.44 crore (Previous year ₹ 3.74 crore).

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.13	96.85	70.13
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.67
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
Cheyyur Infra Limited	0.02	0.01	0.02	0.01
Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
Subsidiaries of PFCCL	3.68	2.34	5.44	2.79
Total	**317.02**	**290.73**	**362.43**	**300.93**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.71	22.44	23.71	22.44
Tatiya Andhra Mega Power Limited	25.73	24.91	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
Total	**381.12**	**338.29**	**381.12**	**340.86**

B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9.	Major Investments made during the year: The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.
10.	Interest Differential Fund (IDF) – KFW The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).
11.	As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(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	**As at 31.03.2016**	**As at 31.03.2015**
Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95
Present value of lease payments recoverable	204.09	212.27
Unearned finance income	**160.69**	**180.68**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	30.06
Later than one year and not later than 5 years	107.54	107.98
Later than five years	230.13	254.91
Total	**364.78**	**392.95**
Break up of present value of lease payments recoverable:-		
Not later than one year	7.89	10.06
Later than one year and not later than 5 years	39.52	36.18
Later than five years	156.68	166.03
Total	**204.09**	**212.27**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.28 crore (Previous year ₹ 5.11 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	**Year ended 31.03.2016**	**Year ended 31.03.2015**
Not later than one year	3.69	2.80
Later than one year and not later than 5 years	3.11	2.31
Later than 5 years	4.03	4.53
Total	**10.83**	**9.64**

12. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	111.35	123.87
Add : Received during the period : Interest credited during the period : Refund by the borrower due to non – commissioning of project in time	- 8.87 -	- 9.42 -
Less : Interest subsidy passed on to borrowers : Refunded to MoP:- (a) Estimated net excess against IX Plan (b) Due to non- commissioning of Project in time (c) Estimated net excess against X Plan	12.75 - - -	21.94 - - -
Closing Balance	**107.47**	**111.35**

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP.

Amounts received from the 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-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
A. GoI Loan under R-APDRP (Principal)						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-
Closing Balance (A)	**8,230.45**	**7,687.84**	-	-	-	-
B. Interest Accrued but not due (Int. earned on FD)	NA					
C. Interest on loan under R-APDRP			NA			
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				

Additions During the period	182.27	16.59				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
Interest on loan under R-APDRP (C) = (i + ii)	**2,278.88**	**2,567.57**				
D. Accumulated Moratorium Interest			NA			
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(34.07)	1.51				
Closing Balance (D)	**999.68**	**38.85**				
E. Interest on Accumulated Moratorium Interest			NA			
(i) Accrued but not due						
Opening Balance	0.15	1.42				
Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**62.48**	**1.33**				
F. **Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest**			**NA**			
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						
Opening Balance	0.02	0.00				
Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)	**11.61**	**0.12**				
Closing Balance (A+B+C+D+E+F)	**11,583.10[1]**	**10,295.71**		-	-	-

[1] Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016

to MoP, GoI. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to GoI under R-APDRP (Note Part A 4).

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalising the R– APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	**31.03.2015**
Nodal agency fee[(1)]	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
Total	**23.65**	**4.82**	**255.74**	**232.09**

[(1)]Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

GoI has launched IPDS for completion of targets laid down under R-APDRP for XIIth and XIIIth Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme 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 guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
iv. 4th installment: 10% of nodal agency fee after completion of works.

	The details are furnished below :

(₹ in crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	-
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
Closing Balance	**358.70**	**-**	**-**	**50.00**	**-**	**0.01**

13. Asset classification and Provisioning:

A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, GoI. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Reschedulement / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.

B) For asset classification**,** in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:–

(i) a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,

(ii) a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and

(iii) a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.

Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31st March of the respective financial year.

(iv) During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018.

Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the

	applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.
14.	For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI. In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:- (i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity, (ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and (iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.
15.	For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value. For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:- (i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R, (ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and (iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above. As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by

	31.03.2016, 31.03.2017 and 31.03.2018 respectively. Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
(A)	**Classification of Loan Assets and provision thereon**						
(i)	Standard Assets	199,483.49	**111.68**	598.48	194,716.30	17.31	486.79
(ii)	Restructured Standard Assets[1]	32,262.98	**564.77**	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	**366.83**	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	**327.48**	721.99	1,315.02	150.76	394.52
(v)	Loss Assets[3]	248.28	**239.36**	248.28	8.92	0.00	8.92
(B)	**Other Assets and provision thereon**						
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	Grand Total	**2,39,266.68**	**1,610.16**	**3,186.72**	**2,17,775.56**	**843.07**	**1,576.56**

[1] R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S. N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April,01 2015	No. of borrowers						14	1	3	-	**18**	14	1	3	-	**18**
		Amount outstanding (Restructured facility)			Nil			20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88
		Amount outstanding (Other facility)						-	-	169.78	-	169.78	-	-	169.78	-	169.78
		Provision Thereon						564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63
2	Movement of balance in account appearing in opening balance	No. of borrowers						10	-	2	-	12	10	-	2	-	12
		Amount outstanding (Restructured facility)			Nil			2,113.48	-	192.70	-	2,306.18	2,113.48	-	192.70	-	2,306.18
		Amount outstanding (Other facility)						0.00	-	62.33	-	62.33	0.00	-	62.33	-	62.33

		Provision Thereon		73.97	-	110.7	-	184.67	73.97	-	110.7	-	184.67
3	Fresh restructuring during the year	No. of borrowers	Nil	5	-	-	-	5	5	-	-	-	5
		Amount outstanding (Restructured facility)		14,192.68	-	-	-	14,192.68	14,192.68	-	-	-	14,192.68
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		496.74	-	-	-	496.74	496.74	-	-	-	496.74
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil	-1	-	-	-	-1	-1	-	-	-	-1
		Amount outstanding (Restructured facility)		-1,457.04	-	-	-	-1,457.04	-1,457.04	-	-	-	-1,457.04
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-40.07	-	-	-	-40.07	-40.07	-	-	-	-40.07
6	Down gradation of restructured accounts during the year	No. of borrowers	Nil	-3	2	1	-	-	-3	2	1	-	-
		Amount outstanding (Restructured facility)		-3111.05	3034.42	76.63	-	-	-3111.05	3034.42	76.63	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22
7	Write-offs restructured accounts during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount		-	-	-	-	-	-	-	-	-	-

		Amount outstanding (Other facility)											
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
8	Restructured accounts as on March 31, 2016	No. of borrowers	Nil	15	3	4	-	22	15	3	4	-	22
		Amount outstanding (Restructured facility)		32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70
		Amount outstanding (Other facility)		-	-	232.11	-	232.11	-	-	232.11	-	232.11
		Provision Thereon		1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88

18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any short fall 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2016 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 (0.21)	4.15 (3.63)	6.39 (5.06)

*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55	0.62	2.34

	(1.43)	(0.52)	(2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets (₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 3.00 crore
Cost decrease by 1% ₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures[1]	8.07	7.64
iii)	Mutual Funds	0.15	-
	Total	**19.97**	**18.65**

[1]As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
Future salary increase*	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

* The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	-

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	-

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	-

20. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.88)	0.35 (0.21)	0.22 (1.01)	- (-)	0.21 (0.08)
Provision for super annuation benefit (Pension)	0.07 (0.08)	- (-)	- (0.01)	- (-)	0.07 (0.07)
Leave Encashment	23.56 (20.73)	6.46 (5.20)	2.93 (2.37)	- (-)	27.09 (23.56)
Economic Rehabilitation Scheme for employee	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	12.45 (20.19)	10.49 (12.09)	10.91 (19.83)	-0.89 (0.00)	11.14 (12.45)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc.(1)	1,576.56 (733.49)	1,610.16 (843.07)	0.00 (0.00)	- (-)	3,186.72 (1,576.56)
Provision for dimunition in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.46 (32.33)	146.81 (118.50)	158.29 (36.37)	- (-)	102.98 (114.46)
Income Tax	6,222.89 (4,639.16)	2,857.89 (2,525.38)	1,550.52 (941.65)	0.49 (-)	7,530.75 (6,222.89)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

(1)As detailed at Note Part – C 16.

21. a) Details of gross amount required to be spent by the Company during the year.

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	146.81	118.50
Carry forward from previous year	114.46	32.33
Gross amount required to be spent	261.27	150.83

(b) Amount spent during the year on: (₹ in crore)

		FY 2015-16			FY 2014-15		
S. No.	**Particulars**	**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						
	Sanitation / Waste Management / Drinking water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	4.10	0.50	4.60	14.05	-	14.05
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
(iii)	Amount spent by Subsidiaries / JVs	0.36	-	0.36	0.85	-	0.85
	Total (ii)	**157.53**	**0.76**	**158.29**	**35.78**	**0.59**	**36.37**
	Grand Total (i) and (ii)			**158.29**			**36.37**

c) Details of related party transactions as per Accounting Standard (AS)18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.

e) During the year ended 31.03.2016, an amount of ₹ 192.90 crore (Previous year ₹ 50.75 crore) has been disbursed against CSR activities.

22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

S.No.	Significant Accounting Policy		Modifications
	No.	Title	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 7.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	4.1, 4.2 and 4.4	Tangible assets / Depreciation	Term "Fixed assets" replaced with "Tangible assets" to align with the assets dealt under the policy i.e. Tangible Assets.
4.	4.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	5.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	7	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading "Provisions / write off against Loans and Advances" has also been suitably modified.
7.	8	Foreign Currency Transactions	Heading "Foreign Exchange Transactions" has been substituted with "Foreign Currency Transactions" to bring in clarity.
8.	10	Accounting of GoI Schemes	Para 10.2 deleted to remove redundancy.
9.	13.1 and 13.2	Employee Benefits	The word "(Revised)" suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23. A. Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.[1]	3	5%
3.	Office and other Equipment[1]	5	5%
3A	Cell Phone[2]	2	5%
4.	Furniture & Fixture[1]	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects[3]	Project Period	-
8.	Leasehold improvements[3]	Lease Period	-

[1]Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).
[2]Useful life has been taken by the Company, PFCGEL and EESL (one of Company's Joint Venture).
[3]As disclosed by EESL.

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.

B. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in

	accordance with Companies Act 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2016, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 73.66% of the consolidated net block of fixed assets (36.36% as on 31.03.2015).
24.	The Company, its subsidiaries and Joint ventures (except one of the subsidiary, PFC Consulting Limited) where principal amount due is ₹ 0.001 crore (as on 31.03.2015 ₹ 0.02 crore) have no outstanding liability towards Micro, Small and Medium enterprises.
25.	Leasehold land is not amortized, as it is a perpetual lease.
26.	The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI. The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.
27.	As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.
29.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	18.84	11.34
(ii) Preliminary expenses	0.16	0.31
(iii) Employee related Provisions	0.13	0.65
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	(0.83)	(0.32)
(ii) Lease income	(68.73)	(72.19)
(iii) Amortization	(0.47)	(0.60)
(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)
Net Deferred Tax liabilities (-)/Assets (+)	**(301.96)**	**(188.27)**

30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2016	During year ended 31.03.2015
Net Profit after tax used as numerator (₹ in crore)	6,184.00	6,004.40
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each(basic) (₹)	46.85	45.49
Effect of outstanding Stock Options (₹)	-	0.00
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.85	45.49

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	88%(1)	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45%(2)	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
Total Dividend	**139%**	**13.90**	**1,834.86**	**91%**	**9.10**	**1,201.24**

(1)Declared by Board of Directors in their 341st meeting held on 16.12.2015 and paid on 04.01.2016.

(2)Declared by Board of Directors in their 343rd meeting held on 09.02.2016 and paid on 24.02.2016.

(B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value of ₹ 10 each	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776
Gross amount of Dividend (₹ in crore)	1.07	0.61	0.67	NA	NA	0.05

32.	Other key financial parameters:

Description	As at 31.03.2016	As at 31.03.2015
Debt Equity Ratio	5.57	5.79
Net worth (₹ in crore)	36,028.30	32,411.35

33. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company including one of its subsidiary (PFCGEL) are given below:

Items		As at 31.03.2016	As at 31.03.2015
(i)	Capital Fund - a. Tier I (₹ in crore)	33,569.76	30,429.15
	- b. Tier II (₹ in crore)	6,225.97	6,011.30
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)	194,945.24	177,656.78
(iii)	CRAR	20.41%	20.51%
(iv)	CRAR – Tier I Capital	17.22%	17.13%
(v)	CRAR – Tier II Capital	3.19%	3.38%
		During the year ended 31.03.2016	**During the year ended 31.03.2015**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

34. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2016.

35. The value of invoices raised pursuant to execution of contract agreement/ issue of letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹ 3.31 crore (previous year ₹ 4.09 crore) has been set-off from amount Receivable from clients (asset) amounting to ₹ 3.63 crore (previous year ₹ 4.50 crore respectively.

36. The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their audited accounts except from unaudited accounts of one of Company’s JVs (EESL).

37. **Additional disclosures in accordance with RBI directions on Corporate Governance**

(A) **Reference may be made to Note Part - B for Significant Accounting Policies.**

(B) **Capital**

Reference may be made to Note Part C - 33 for CRAR.

(C) **Investments**

(₹ in crore)

Sl. No.	Description			As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,774.79	852.38
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	97.32	1.06
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	2,677.47	851.32
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		1.06	0.00
	(ii)	Add : Provisions made during the year		96.26	1.06
	(iii)	Less : Write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		97.32	1.06

(D) **Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular		As at 31.03.2016		As at 31.03.2015	
			Currency Derivatives	**Interest Rate Derivatives**	**Currency Derivatives**	**Interest Rate Derivatives**
(i)	Derivatives (Notional Principal Amount)					
	For hedging[1]		939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	6.54	125.42	12.86	86.05
	b)	Liability (-MTM)	181.39	3.70	294.66	43.92
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[2]		10,070.22	8,587.86	8,514.73	6,292.68

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

(E) **Disclosures related to Securitisation**

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).

II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

(F) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances [1]	3,126.76	396.04	1,069.45	20,869.00	8,603.18	36,454.82	41,309.40	127,148.85	**238,977.50**
Investments[2]	-	-	-	-	410.74	-	-	2,266.73	**2,677.47**
Borrowings[3]	9,366.68	9,350.00	3,393.00	4,818.60	7,289.41	55,701.03	36,312.50	63,859.11	**190,090.33**
Foreign Currency assets	5.14	-	-	12.23	17.37	5.14	144.41	115.31	**299.60**
Foreign Currency liabilities	4.78	-	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	**10,775.59**

[1]Rupee Loan Assets
[2]Net of provision
[3]Rupee Liabilities

(G) **Exposures**

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2016	Amount as at 31.03.2015
(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);	869.64	844.70
(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;	Nil	Nil
(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;	Nil	1,076.71
(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	Nil	Nil

	process);		
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
	Total Exposure to Capital Market	**2,619.92**	**4,026.91**

III. Details of financing of parent company products:

Nil.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2015-16 and FY 2014-15.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2016 (Previous year Nil).

(H) Registration obtained from other financial sector regulators

Nil.

(I) **Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by GoI.

(J) **Credit rating**

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2016:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)

(K) **Net Profit or Loss for the period, prior period items and changes in accounting policies**
Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) **Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of standalone notes to accounts in this regard.

(N) **Provisions and Contingencies**
Reference may be made to Note Part –C 20 for provisions and contingencies.

(O) **Draw Down from Reserves**

Nil. (Previous year refer note Part A-2)

(P) **Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	**As at 31.03.2016**	**As at 31.03.2015**
Total Advances to 20 largest borrowers	149,982.23	134,557.86
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.53%	61.75%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers / customers	2,12,005.09	2,02,894.98
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.47%	55.86%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) **Movement of NPAs in respect of Loan Assets**

(₹ In Crore)

Sl. No.		Description	Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)		2.54	0.92
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	2,533.31	1,331.54
	(b)	Additions during the year	8,385.58	2,548.77
	(c)	Reductions during the year	(3,399.85)*	(1,347.00)
	(d)	Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs			
	(a)	Opening balance	2,008.96	1,068.48
	(b)	Additions during the year	7,111.93	2,265.41
	(c)	Reductions during the year	(3,059.87)*	(1,324.93)
	(d)	Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	524.35	263.06
	(b)	Provisions made during the year	1,273.66	283.36
	(c)	Write-off / write-back of excess provisions	(339.99)*	(22.07)
	(d)	Closing balance	1,458.02	524.35

*Reference may be made to Note Part –C 18.

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) **Customer Complaints for FY 2015-16**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

38. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.

39. Figures have been rounded off to the nearest crore of rupees with two decimals.

40. Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

FY 2016-17

Note Part – C

Consolidated Other Notes on Accounts

1. 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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entity[(iv)] as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2017	31.03.2016	01.04.2016 – 31.03.2017
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)[(i)]	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)[(ii)]	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)[(i)]	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)[(iii)]	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL)[(iv)]	India	-	16.66%	-
Energy Efficiency Services Limited (EESL)[(v)]	India	31.71%	28.79%	Unaudited

[(i)] Subsequent to decision by the Board of Directors of the Company and Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

[(ii)] The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9th August 2016 which is under progress.

[(iii)] Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

[(iv)] Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹ 1.21 crore in July 2016, as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹ 1.06 crore has been reversed and loss on disposal of investments of ₹ 0.98 crore has been recognized. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Subsidiary Companies:					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05

(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	100%	0.05	0.05
	Total				**0.75**	**0.75**

* MoP vide its OM dated 21st June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 8 subsidiary companies (out of 13 wholly owned subsidiaries of PFCCL, 5 were transferred to successful bidders during FY 2016-17) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	**Name of the Company**	**Date of investment**	**Date of Transfer to successful bidder**	**Proportion of Shareholding as on**		**Amount (₹ in crore)**	
				31.03.2017	**31.03.2016**	**31.03.2017**	**31.03.2016**
	Subsidiary Companies:						
1.	Warora-Kurnool Transmission Limited(i)	20.04.2015	06.07.2016	-	100%	-	0.05
2.	Gurgaon-Palwal Transmission Limited(i)	26.10.2015	14.07.2016	-	100%	-	0.01
3.	Kohima-Mariani Transmission Limited(i)	22.01.2016	31.03.2017	-	100%	-	0.01
4.	Medinipur-Jeerat Transmission Limited(i)	22.01.2016	28.03.2017	-	100%	-	0.01
5.	Odisha Generation Phase-II Transmission Limited(i)	17.04.2015	08.04.2016	-	100%	-	0.05
6.	Fatehgarh-Bhadla Transmission Limited(ii)	31.01.2017	--	100%	-	0.01	-
7.	Bijawar-Vidharbha Transmission Limited(ii)	21.02.2017	--	100%	-	0.01	-
8.	Shongtong Karcham-Wangtoo Transmission Limited(ii)	21.02.2017	--	100%	-	0.01	-
9.	Goa- Tamnar Transmission Limited(ii)	21.02.2017	--	100%	-	0.01	-
10.	Tanda Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
11.	Ballabhgarh-GN Transmission Company Limited(iii)	21.10.2013	--	100%	100%	0.05	0.05
12.	Mohindergarh-Bhiwani Transmission Limited(iii)	23.12.2014	--	100%	100%	0.05	0.05
13.	South-Central East Delhi	18.02.2015		100%	100%	0.05	0.05

	Power Transmission Limited[(iii)]		--				
	Total					**0.24**	**0.33**

[(i)] Transferred to successful bidder(s) on completion of the bidding process:
[(ii)]Incorporated as wholly owned subsidiary of PFCCL during FY 2016-17.
[(iii)]Under process of winding up.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2017	As at 31.03.2016
(i)	Guarantees issued in domestic currency	190.38	226.75
(ii)	Claims against the Company not acknowledged as debts	11.74	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,640.56	446.22
	Total	**1,842.68**	**672.97**

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 40.53 crore (Previous year ₹ 45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹ 23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.

3.2 Other Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is ₹ 103.95 crore (Previous year ₹ 84.23 crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
1.	Opening Balance	95.39$	78.50
2.	Addition during the year	23.90	17.65
3.	Reversal during the year	(0.90)	(0.76)
4.	Closing Balance	118.39*	95.39$

* Pertaining to Assessment Year 2001-02 to 2014-15.
$ Pertaining to Assessment Year 2001-02 to 2013-14.

5. A. The Company is creating Debenture Redemption Reserve (DRR) 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.

B. 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 borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	0.67	0.30
(iv)	Training Expenses	0.29	0.26
B.	**Earning in foreign currency**	1.27	-

*excluding withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
Total		**6,405.68**		**10,070.22**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 291.83 crore (Previous year USD / JPY leg USD 105 million / ₹ 701.09 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 647.56 crore (Previous year debit balance ₹ 739.74 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the `Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-11 but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions mentioned in the Guidance Note, an amount of ₹ 74.35 crore (net of Deferred Tax Liability of ₹ 39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹ 178.15 crore.

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Power Finance Corporation Limited	
Shri Rajeev Sharma, CMD and CEO(i)	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO(ii)	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO(iii)	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects)(iv)	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects)(v)	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial)(vi)	With effect from 16.11.2015
Shri Manohar Balwani, CS(vii)	With effect from 01.04.2014
Subsidiary Companies	
Shri C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013 till 05.07.2016.
Shri PP Srivastava, CEO, PFCCL	With effect from 06.07.2016 till 31.08.2016.
Shri Subir Mulchandani, CEO, PFCCL	With effect from 01.09.2016
Shri. Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Shri. Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Shri Arunava Chakravati, Director (PECAP)	With effect from 11.10.2011 till 23.09.2016
Shri Avkash Saxena, Director (PECAP)	With effect from 23.09.2016.
Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015 to 21.10.2016
Shri Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016 to 26.12.2016
Shri S N Gaikwad, Director (Projects)	with effect from 05.02.2016 to 03.11.2016

(i) Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

(ii) Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013 till 30.09.2016.

(iii) Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011)also

(iv) Director in PFCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009) and Additional Director in PFCCAS (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

(v) Director in PFCCL (w.e.f 23.09.2013 till 31.12.2016), PFCCAS (w.e.f. 19.09.2013 till 24.01.2017) and PFCGEL (w.e.f 03.08.2012 till 31.12.2016).

(vi) Director in PFCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCAS (w.e.f 30.03.2016)

(vii) Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹ 3.86 crore (Previous year ₹ 3.44 crore). Loans & Advances given to KMP is ₹ 0.51 crore (Previous year ₹ 0.47 crore) as on 31.03.2017.

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	**As at 31.03.2017***	**As at 31.03.2016***	**Maximum during the year ended 31.03.2017**	**Maximum during the year ended 31.03.2016**
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
Cheyyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
Subsidiaries of PFCCL	2.79	3.68	3.68	5.44
Total	**398.41**	**317.02**	**400.96**	**362.43**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	**As at 31.03.2017**	**As at 31.03.2016**	**Maximum during the year ended 31.03.2017**	**Maximum during the year ended 31.03.2016**
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.71
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
Deoghar Mega Power Limited	14.02	0.00	14.02	0.00
Total	**441.32**	**381.13**	**441.32**	**381.12**

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).

9.	A. Major Investments made during the year:

i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹ 10/- per share under Offer for Sale by GoI. The shares have been subscribed at a cost of ₹ 21.78/- per share including brokerage and other statutory charges aggregating to ₹ 567.50 crore.

B. Conversion of Debt into Equity:

i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹ 10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹ 1/-.

Further, 6,61,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹ 66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹ 46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹ 1.

As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.

ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹ 81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹ 20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹ 63.88 crore (Previous year ₹ 60.71 crore), after transferring exchange difference of ₹ 12.56 crore (Previous year ₹ 13.48 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(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	**As at 31.03.2017**	**As at 31.03.2016**
Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78
Present value of lease payments recoverable	194.32	204.09
Unearned finance income	**141.47**	**160.69**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	27.11
Later than one year and not later than 5 years	107.10	107.54
Later than five years	201.58	230.13
Total	**335.79**	**364.78**
Break up of present value of lease payments recoverable:-		
Not later than one year	8.62	7.89
Later than one year and not later than 5 years	43.17	39.52
Later than five years	142.53	156.68
Total	**194.32**	**204.09**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.89 crore as on 31.03.2017 (Previous year ₹ 1.33 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.45 crore as on 31.03.2017 (Previous year ₹ 3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 3.74 crore as on 31.03.2017 (Previous year ₹ 4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2017 (Previous year ₹ 355.30 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable (non-cancellable in case of one of Company's joint venture EESL and one of Company's subsidiary PFCCL). Rent for residential accommodation of employees include ₹ 6.10 crore (Previous year ₹ 5.28 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 4.99 crore (Previous year ₹ 1.00 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	**Year ended 31.03.2017**	**Year ended 31.03.2016**
Not later than one year	8.49	3.69
Later than one year and not later than 5 years	5.31	3.11
Later than 5 years	5.74	4.03
Total	**19.54**	**10.83**

12. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 8.67 crore and ₹ 93.56 crore as on 31.03.2017 (Previous year ₹ 7.80 crore and ₹ 87.47 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	107.47	111.35
Add : Received during the period : Interest credited during the period : Refund by the borrower due to non – commissioning of project in time	- 9.06 -	- 8.87 -
Less : Interest subsidy passed on to borrowers : Refunded to MoP:- (a) Estimated net excess against IX Plan (b) Due to non- commissioning of Project in time (c) Estimated net excess against X Plan	6.84 - - -	12.75 - - -
Closing Balance	**109.69**	**107.47**

(B) 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 the 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-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	**Amount recoverable from borrowers & payable to GOI**		**R – APDRP Grant**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	Year ended 31.03.2017	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**
A. GoI Loan under R-APDRP (Principal)						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	667.82	1349..56	667.82	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1349.56)	(667.82)	-	-
Closing Balance (A)	**9,222.23**	**8,230.45**	-	-	-	-
B. Interest Accrued but not due (Int. earned on FD)		-	NA			-
C. Interest on loan under R-APDRP		-	NA			
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				
Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+)Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
Interest on loan under R-APDRP (C) = (i + ii)	**3,006.70**	**2,278.88**				
D. Accumulated Moratorium Interest			NA			
Opening Balance	999.68	38.85				
(+)Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
Closing Balance (D)	487.48	**999.68**				

E. Interest on Accumulated Moratorium Interest			NA			
(i) Accrued but not due						
Opening Balance	7.26	0.15				
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99				
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)				
Closing Balance (i)	2.10	7.26				
(ii) Accrued and due						
Opening Balance	55.22	1.18				
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)				
Closing Balance (ii)	24.33	55.22				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**26.43**	**62.48**				
F. **Interest on Interest, Interest on “Interest on Accumulated Moratorium Interest” and Penal Interest**			**NA**			
(i) Interest on Interest						
Opening Balance	4.63	0.05				
Additions During the period	14.86	4.64				
Recoveries / refunds / changes during the period	(16.31)	(0.06)				
Closing Balance (i)	3.18	4.63				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						
Opening Balance	1.80	0.02				
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)				
Closing Balance (ii)	1.38	1.80				
(iii) Penal Interest						
Opening Balance	5.18	0.05				
Additions During the period	7.65	5.21				
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)				
Closing Balance (iii)	1.80	5.18				
Interest on Interest, Interest on “Interest on Accumulated Moratorium Interest” and Penal Interest (F) = (i + ii + iii)	**6.36**	**11.61**				
Closing Balance (A+B+C+D+E+F)	**12,749.20**	**11,583.10**		-	-	-

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company’s manpower, incurred for operationalizing the R–APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company’s claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company’s own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	**Year ended 31.03.2017**	**Year ended 31.03.2016**	**Accumulated up-to year ended**	
			31.03.2017	**31.03.2016**
Nodal agency fee[(1)]	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
Total	**24.98**	**23.65**	**280.72**	**255.74**

[(1)]Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme 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 guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	**Amount of GoI grant administered to the eligible utilities**		**IPDS Grant**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	Year ended 31.03.2017	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
Closing Balance	**2,561.01**	**358.70**	**-**	**-**	**-**	**-**

13 Government of India Fully Serviced Bonds

For meeting GOI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹ 5,000 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 O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

14 A. Asset classification and Provisioning:

(i) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:

1. Assets classification norms in line with RBI's letter dated 03.10.2016:

a) loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-

	Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more, b) NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and c) NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months. 2. Restructuring Norms: (i) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans. Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018. (ii) As regard implementation of RBI restructuring norms (shifting from MoP, GoI approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022. (ii) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, GoI approved restructuring norms were applicable). b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A (b) (i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning. B. Credit Concentration Norms For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.
15.	Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, GoI approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues and as on 31.03.2017: a) Company has categorised standard assets amounting to ₹ 35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,403.79 crore. b) Company has classified two loan assets as NPA having amount outstanding of ₹ 8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 163.71 crore has been reversed and additional provision of ₹ 799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 963.16 crore. c) Company has classified three loan assets as NPA having amount outstanding of ₹ 4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 103.04 crore has been reversed and additional provision of ₹ 401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 504.22 crore.

d) Company has classified one loan asset as NPA having amount outstanding of ₹ 5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹ 142.03 crore has been reversed and additional provision of ₹ 333.14 crore has been made on this loan.

Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹ 118.59 crore has been reversed and additional provision of ₹ 489.62 crore has been made on such other loans having amount outstanding of ₹ 5,073.73 crore as on 31.03.2017.

Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,083.38 crore.

The profit before tax for the year has decreased by ₹ 3,954.55 crore on account of para a to d above.

16. Loan Assets, Other assets, Trade Receievables and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	159,726.85	(38.55)	559.93	199,483.49	111.68	598.48
(ii)	Restructured Standard Assets(1)	55,473.12	1,228.65	2,357.85	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56(2)	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.26	2,393.15	327.48	721.99
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
(B) Other Assets, Trade Receivables and provision thereon							
(i)	Other Assets	17.29	16.26	17.27	1.17	0.04	1.01
(ii)	Trade Receivables(3)	7.74	7.74	7.74	-	-	-
	Grand Total	**2,45,927.21**	**5,112.33**	**8,299.05**	**2,39,266.68**	**1,610.16**	**3,186.72**

(1) R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹ 19,445.92 crore in private sector and ₹ 36,027.19 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector).

(2) Includes loans amounting to ₹ 23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

(3) Pertains to PFCCL (One of Company's Subsidiary).

17. Basis of secured / un-secured categorization of loan assets:

a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.

b) In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.

18. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S.N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured	No. of	Nil														

	accounts as on April,01 2016	borrowers		15	3	4	-	**22**	15	3	4	-	**22**
		Amount outstanding (Restructured facility)		32,262.98	3,111.05	1,414.67	-	**36,788.70**	32,262.98	3,111.05	1,414.67	-	**36,788.70**
		Amount outstanding (Other facility)		-	-	232.11	-	**232.11**	-	-	232.11	-	**232.11**
		Provision Thereon		1,129.20	311.11	520.57	-	**1,960.88**	1,129.20	311.11	520.57	-	**1,960.88**
2	Movement of balance in account appearing in opening balance (including Pre-payment of loan)	No. of borrowers	Nil	2	-	2	-	**4**	2	-	2	-	**4**
		Amount outstanding (Restructured facility)		(1,867.82)	-	(63.58)	-	**(1,931.40)**	(1,867.82)	-	(63.58)	-	**(1,931.40)**
		Amount outstanding (Other facility)		-	-	73.99	-	**73.99**	-	-	73.99	-	**73.99**
		Provision Thereon		(65.37)	-	362.53	-	**297.15**	(65.37)	-	362.53	-	**297.15**
3	Categorised as restructured during the year	No. of borrowers	Nil	12	-	-	-	**12**	12	-	-	-	**12**
		Amount outstanding (Restructured facility)		36,478.10	-	-	-	**36,478.10**	36,478.10	-	-	-	**36,478.10**
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		1,550.56	-	-	-	**1,550.56**	1,550.56	-	-	-	**1,550.56**
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil	(2)	-	-	-	**(2)**	(2)	-	-	-	**(2)**
		Amount outstanding (Restructured facility)		(2,857.41)	-	-	-	**(2,857.41)**	(2,857.41)	-	-	-	**(2,857.41)**
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		(100.01)	-	-	-	**(100.01)**	(100.01)	-	-	-	**(100.01)**
6	Down gradation of restructured accounts during the year	No. of borrowers	Nil	(1)	(2)	3	-	-	(1)	(2)	3	-	-
		Amount outstanding (Restructured facility)		(8,542.74)	4,779.09	3,111.05	-	-	(8,542.74)	4,779.09	3,111.05	-	-
		Amount outstanding (Other facility)		-		-	-	-	-		-	-	-
		Provision Thereon		(299.00)	477.91	745.56	-	**989.73**	(299.00)	477.91	745.56	-	**989.73**
7	Write-offs restructured accounts during the	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding		-	-	-	-	-	-	-	-	-	-

		year	(Restructured facility)											
			Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
			Provision Thereon		-	-	-	-	-	-	-	-	-	-
	8	**Restructured accounts as on March 31, 2017**	**No. of borrowers**	Nil	**22**	**1**	**7**	**-**	**30**	**22**	**1**	**7**	**-**	**30**
			Amount outstanding (Restructured facility)		**55,473.11**	**7,890.14**	**4,462.14**	**-**	**68,477.99**	**55,473.11**	**7,890.14**	**4,462.14**	**-**	**68,477.99**
			Amount outstanding (Other facility)		**-**		**306.10**	**-**	**306.10**	**-**		**306.10**	**-**	**306.10**
			Provision Thereon		**2,357.85**	**789.02**	**1,662.61**	**-**	**4,874.74**	**2,357.85**	**789.02**	**1,662.61**	**-**	**4,874.74**

19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made till the date of reclassification was reversed during the previous year.

The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.

Subsequent to reclassification of the said account in the previous year,

(i) interest / income of ₹ 413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;

(ii) provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹ 163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹ 148.82 crore);

(iii) provision treating the account as doubtful, on the loan balance of ₹ 4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹ 4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹ 815.50 crore (previous year ₹ 276.37 crore).

20. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the F.Y. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹ 17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. 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.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.91 (1.55)	0.78 (0.62)	3.22 (2.34)
Interest cost on benefit obligation	1.67 (1.55)	1.43 (1.17)	2.17 (1.87)
Expected return on plan assets	-1.84 (-1.72)	-1.01 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.21 (-1.09)	2.87 (2.36)	2.44 (2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.53 (0.29)	4.04 (4.15)	7.83 (6.39)

*During the year, the expenses include ₹ 0.09 crore (previous year ₹ 0.03 crore), ₹ 0.43 crore (previous year ₹ 0.55 crore) and ₹ 0.29 crore (previous year ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	23.15 (20.83)	21.82 (17.83)	31.23 (27.11)
Fair value of plan assets as at 31.03.2017 (ii)	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

Difference (ii) – (i)	-1.41 (-0.36)	-3.67 (-17.83)	-31.23 (-27.11)
Net asset / (liability) recognized in the Balance Sheet	-1.41 (-0.36)	-3.67 (-17.83)	-31.23 (-27.11)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.83 (19.36)	17.83 (14.58)	27.11 (23.42)
Acquisition adjustment	0.00 (0.00)	0.00 (0.00)	0.01 (0.00)
Interest cost	1.67 (1.55)	1.43 (1.17)	2.17 (1.87)
Current service cost	1.91 (1.55)	0.78 (0.62)	3.22 (2.34)
Benefits paid	-0.99 (-0.63)	-1.09 (-0.90)	-3.72 (-2.93)
Net actuarial (gain)/loss on obligation	-0.27 (-1.09)	2.87 (2.36)	2.44 (2.18)
Present value of the defined benefit obligation as at 31.03.2017	23.15 (20.83)	21.82 (17.83)	31.23 (27.11)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47 (19.14)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.84 (1.72)	1.01 (0.00)	0.00 (0.00)
Contributions by employer	0.47 (0.21)	17.93 (0.00)	0.00 (0.00)
Benefit paid	-0.98 (-0.63)	-0.83 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	-0.06 (0.02)	0.04 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)

Particulars	PRMS	Service and Interest Cost
Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

vi) During the year, Company has provided liability of ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil (Previous year ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore (Previous year ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.21 crore (Previous year ₹ 0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.59 crore (Previous year ₹ 0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (Previous year ₹ 0.06 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures(1)	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	Total	**21.12**	**19.97**

(1)As at 31.03.2017, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method (For the Company) Gratuity	For EESL (one of the JVs of the Company) For Gratuity & Leave Encashment
Discount rate	7.50%	7.35%
Expected rate of return on assets	7.50%	0.00%
Future salary increase*	6.00%	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

(₹ in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.0	0.00
ii)	Corporate bonds / debentures 1	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	Total	**17.58**	**0.00**

(1)As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

1Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	23.15	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.41)	(0.27)	(0.21)	(0.86)	(1.48)

Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹ 1.16 crore (Previous year 0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.79 crore (Previous year ₹ 1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹ 4.97 crore (Previous year 2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Present value of obligation as at	31.23	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ in crore)

LSA	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ in crore)

ERS	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ in crore)

Baggage Allowance	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2014**	**31.03.2013**
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	**Opening Balance (1)**	**Addition during the year (2)**	**Used during the year (3)**	**Reversals (4)**	**Closing Balance 5 = (1+2-3-4)**
Post-Retirement Medical Scheme	17.83 (14.58)	4.04 (4.15)	18.09 (0.90)	0.00 (-)	3.78 (17.83)
Pay revision	- (-)	9.94 (-)	- (-)	- (-)	9.94 (-)

Gratuity	0.21 (0.08)	1.53 (0.35)	0.33 (0.22)	- (-)	1.41 (0.21)
Provision for superannuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	27.09 (23.56)	7.84 (6.46)	3.70 (2.93)	- (-)	31.23 (27.09)
Economic Rehabilitation Scheme for employee	1.50 (1.24)	0.21 (0.33)	0.08 (0.07)	0.00 (-)	1.63 (1.50)
Bonus / Incentives	11.14 (12.45)	5.91 (10.49)	10.49 (10.91)	-0.07 (-0.89)	6.63 (11.14)
Baggage Allowances	0.11 (0.10)	0.02 (0.01)	0.00 (0.00)	0.00 (-)	0.13 (0.11)
Service Award	4.74 (4.49)	0.59 (0.48)	0.34 (0.23)	0.00 (-)	4.99 (4.74)
Provision on loan assets etc.[(1)]	3,186.72 (1,576.56)	5,112.33 (1,610.16)	- (0.00)	- (-)	8,299.05 (3,186.72)
Provision for diminution in value of investment	97.32 (1.06)	86.69 (96.26)	- (0.00)	94.10 (-)	89.91 (97.32)
Provision for Doubtful Debts	0.00 (0.00)	8.61 (0.00)	0.00 (0.00)	0.00 (0.00)	8.61 (0.00)
CSR	102.98 (114.46)	167.64 (146.81)	170.40 (158.29)	- (-)	100.22 (102.98)
Income Tax	7,530.75 (6,222.89)	3,122.40 (2,857.89)	2,101.24 (1,550.52)	-0.03 (0.49)	8,551.89 (7,530.75)
Proposed Final Dividend	79.20 (79.20)	0.00 (79.20)	79.20 (79.20)	0.00 (-)	0.00 (79.20)
Proposed Corporate Dividend Tax	16.12 (16.12)	0.00 (16.12)	16.12 (16.12)	0.00 (-)	0.00 (16.12)
Interim Dividend	- (-)	1,320.04 (1,755.66)	- (1,755.66)	- (-)	1,320.04 (-)
Corporate Dividend Tax on Interim dividend	-	268.73 (356.74)	201.55 (356.74)	- (-)	67.18 (-)

[(1)]As detailed at Note Part – C 16.

22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	167.64	146.81
Carry forward from previous year	102.98	114.46
Gross amount required to be spent	270.62	261.27

(b) Amount spent during the year on CSR activities: **(₹ in crore)**

		FY 2016-17			FY 2015-16		
S. No.	**Particulars**	**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	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06

(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iie)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
(iii)	Amount spent by Subsidiaries / JVs	2.29	0.01	2.30	0.36	-	0.36
	Total (ii)	**169.20**	**1.21**	**170.41**	**157.53**	**0.76**	**158.29**
	Grand Total (i) and (ii)			**170.41**			**158.29**

c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.

e) During the year ended 31.03.2017, an amount of ₹ 121.53 crore (Previous year ₹ 192.90 crore) has been disbursed against CSR activities.

23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

(₹ in crore)

S. No.	**Significant Accounting Policy**		**Modifications**	**Impact on PBT [(+) increase / (-) decrease]**
	No.	**Title**		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms[1] as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms.[1]	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms.[1]	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms.[1]	Nil
5.	2.7	Prior period expenses / Income[4]	Portion related to Prior period expenses / Income deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	Nil
6.	6.1	Quoted Current Investments	Modified to align with the RBI prudential norms[1] requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	6.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms.[1]	(46.27)
8.	6.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	7.1 & 7.4	Asset Classification	7.1.2 (i) Modified to align with the RBI prudential norms.[1]	Nil

				7.1.2 (ii) & 7.4 Modified to align with RBI Restructuring Norms / Directions[3]	(2,550.76)
	10.	7.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms[1] resulting in – i) additional pro-rata provision on standard assets ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	 (79.69) 707.80
	11.	7.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹ 1,403.79 crore as explained at Note Part C-15 (a).[3]	(1549.64)
	13.	7.6[(5)]	Provisioning of Doubtful Debts and Advances	Modified to include basis of provision.	(8.61)
	12.	9	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f 01.04.2016. [2]	178.15
	Total				**(3,256.95)**

[(1)] W.e.f. 01.04.2016, Company has adopted RBI Prudential norms (Refer Note Part C-14).
[(2)] Reference may be made to Note Part-C 5(E) for impact on opening reserves.
[(3)] Reference may be made to Note Part-C-15.
[(4)] Deleted by PFCGEL (one of Company's Subsidiary) as well.
[(5)] Pertains to PFCCL (one of Company's Subsidiary).

Besides above, PFCGEL reworded accounting policies of Basis for Preparation of Financial Statements, Recognition of Income, Tangible assets / Depreciation and Employee Benefits to bring in more clarity having nil financial impact. Further, PFCCAS changed its accounting policy on depreciation / amortisation by reducing useful life of cellphone from 5 years to 2 years having a financial impact of ₹ 1,768.

24. A. Depreciation on assets is provided over the useful lives of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.[(1)]	3	5%
3.	Office and other Equipment[(1)]	5	5%
3A	Cell Phone[(2)]	2	5%
4.	Furniture & Fixture[(1)]	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects[(3)]	Project Period	-
8.	Leasehold improvements[(4)]	Lease Period	-

[(1)]Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).
[(2)]Useful life has been taken by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).
[(3)]As disclosed by EESL.
[(4)]Useful life taken by EESL and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

	B. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2017, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 83.56% of the consolidated net block of fixed assets (73.66% as on 31.03.2016).
25.	The Company has no outstanding liability towards Micro, Small and Medium enterprises except one of the subsidiary, PFCCL where principal amount due is ₹ 0.002 crore (as on 31.03.2016 ₹ 0.001 crore).
26.	Leasehold land is not amortized, as it is a perpetual lease.
27.	As required under Section 125 of the Companies Act, 2013, ₹ 4.58 crore, (Previous Year ₹ 0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹ 2.03 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹ 1,482.46 crore is awaited.
29.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2017	As at 31.03.2016
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	20.45	18.84
(ii) Preliminary Expenses	-	0.16
(iii) Employee related provisions	0.45	0.13
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	(0.45)	(0.83)
(ii) Lease income	(66.00)	(68.73)
(iii) Amortization	(0.24)	(0.47)
(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)
(v) Net MTM Receivable from bank against derivative*	(101.00)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(247.55)**	**(301.96)**

30.	During the year, Government of India (GoI) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of GoI in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.
31.	Shareholders in their Annual General Meeting held on 19th August 2016 have accorded approval: (a) to increase the authorized share capital of the Company from ₹ 2,000 crore divided into 2,00,00,00,000 equity shares of ₹ 10/- each to ₹ 10,000 crore divided into 10,00,00,00,000 equity shares of ₹ 10/- each, and (b) for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account. Consequently, the Board of Directors of the Company in its meeting held on 1st September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹ 1,320.04 crore (132,00,40,704 equity shares of ₹ 10 each) to ₹ 2,640.08 crore (264,00,81,408 no of equity shares of ₹ 10 each).
32.	In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:

	Description	During year ended 31.03.2017	During year ended 31.03.2016[1]
	Net Profit after tax used as numerator (₹ in crore)	2,236.10	6,184.00
	Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704
	Diluted effect of outstanding Stock Options	-	-
	Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704
	Earning per equity share, face value ₹ 10 each(basic) (₹)[1]	8.47	23.43
	Effect of outstanding Stock Options (₹)	-	-
	Earning per equity share, face value ₹ 10 each (diluted) (₹)[1]	8.47	23.43

[1]Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.

33. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2017 is as under:

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	50%[1]	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20[2]
Total Dividend	**50%**	**5.00**	1,320.04	**139%**	**13.90**	**1,834.86**

(1) Declared by Board of Directors in their 359th meeting held on 24.03.2017 and paid on 07.04.2017.
(2) Paid on 01.09.2016.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹ 10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹ in crore)	206.61	152.88	NA	76.50	NA	10.52

34. Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.51	5.57
Net worth (₹ in crore)	36,844.93	36,028.30

35. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

	Items		As at 31.03.2017	As at 31.03.2016
(i)	Capital Fund - a. Tier I (₹ in crore)		33,837.70	33,569.76
	- b. Tier II (₹ in crore)		6,373.62	6,225.97
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)		207,212.06	194,945.24
(iii)	CRAR		19.41%	20.41%
(iv)	CRAR – Tier I Capital		16.33%	17.22%
(v)	CRAR – Tier II Capital		3.08%	3.19%
			During the year ended 31.03.2017	**During the year ended 31.03.2016**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)		-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)		-	-

36. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2017.

37. The value of invoices raised pursuant to the contract agreement/ letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹ 0.18 crore (previous year ₹ 3.31 crore) has been netted off from amount Receivable from clients (asset) amounting to ₹ 0.21 crore (previous year ₹ 3.63) respectively. During the year the company has adjusted an amount of ₹ 3.13 crore from unaccrued income and ₹ 3.42 crore from amount receivable from clients (asset) by making provision for the amount receivable from various clients for services to be provided which were not paid by the clients and were outstanding since long.

38. In respect of subsidiary companies, disclosures have been appropriately consolidated from their audited accounts and similarly in case of EESL (joint venture), from its unaudited accounts.

39. The Company does or transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8th November, 2016 to 30th December, 2016.

40.

(I) Additional disclosures in accordance with RBI directions on Corporate Governance

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Capital

Reference may be made to Note Part C - 35 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Description			As at 31.03.2017	As at 31.03.2016
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	3,234.93	2,326.23
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	89.81	96.26
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	3,145.12	2,229.97
		(b)	Outside India.		-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)		Opening balance	96.26	-
	(ii)		Add : Provisions made during the year	86.59	96.26
	(iii)		Less : Write-off / write-back of excess provisions during the year	93.04	-
	(iv)		Closing balance	89.81	96.26

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(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)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular		As at 31.03.2017		As at 31.03.2016	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)					
	For hedging[1]		2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	0.00	299.87	6.54	125.42
	b)	Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[2]		6,405.68	6,296.24	10,070.22	8,587.86

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 6,164.60 crore (Previous year ₹ 7,164.60 crore).

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 291.83 crore (Previous year covering USD / JPY ₹ 701.09 crore).

(E) Disclosures related to Securitization

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances [1]	3,659.65	614.22	615.82	8,245.75	19,288.09	39,150.62	38,370.57	135,697.34	**245,642.05**
Investments [2]	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	1,819.64	**3,145.17**
Borrowings[3]	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	**194,414.56**
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	**260.12**
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	**8,443.89**

[1] Rupee Loan Assets

[2] Net of provision

[3] Rupee Liabilities

(G) Exposures

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(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);	1,428.78	519

(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;	Nil	Nil
(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;	Nil	Nil
(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);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
Total Exposure to Capital Market		**4,653.33**	**2,619.92**

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

(H) Registration obtained from other financial sector regulators:

Nil.

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

(J) Credit rating

a. 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+
4.	SMERA (of PFCGEL)	SMERA AAA (Stable Outlook)	

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 2 and Part C – 2.1 of notes to accounts in this regard.

(N) Provisions and Contingencies

Reference may be made to Note Part C-21 for provisions and contingencies.

(O) Draw Down from Reserves

Reference may be made to Note Part C – 31 and Note - Part A - 2.

(P) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.44%	62.60%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.13%	56.20%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

e. Sector-wise NPAs:

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In Crore)

Sl. No.	Description		Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)		10.55	2.54
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	7,519.04	2,533.31
	(b)	Additions during the year	24,573.14	8,385.58
	(c)	Reductions during the year	1,389.97	3,399.85
	(d)	Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs			
	(a)	Opening balance	6,061.02	2,008.96
	(b)	Additions during the year	20,536.65	7,111.93
	(c)	Reductions during the year	1,251.70	3,059.87
	(d)	Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1458.02	524.35
	(b)	Provisions made during the year	4,036.50	1,273.66
	(c)	Write-off / write-back of excess provisions	138.27	339.99
	(d)	Closing balance	5,356.25	1,458.02

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Note Part C-2.1 for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2016-17

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

41. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

(₹ in Crore)

Particulars			Amount as on 31.03.2017		Amount as on 31.03.2016	
Liabilities Side			**outstanding**	**overdue**	**outstanding**	**overdue**
(1)	**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured	20,109.87	0.00	21,786.66	0.00
		: Unsecured	170,800.80	0.00	150,552.50	0.00
	(b)	(i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00
		(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00
	(c)	Commercial Paper	0.00	0.00	5,286.37	0.00
	(d)	Short Term Borrowings	2,400.79	0.00	2,285.20	0.00

Assets Side				Principal Amount Outstanding as on 31.03.2017	Principal Amount Outstanding as on 31.03.2016
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**				
	(a)	Secured		168,881.39	148,095.16
	(b)	Unsecured		71,786.70	89,771.53
(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	194.32	204.09
(4)	**Break-up of Investments (Net of Provisions)**				
	Current Investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	1,071.02	410.74
	2.	Unquoted			
		(i)	Shares		
			(a) Equity	254.51	0.00
	Long Term Investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	12.00	12.00
		(ii)	Debentures and Bonds	1,800.00	1,800.00
	2.	Unquoted			
		(i)	Shares		
			(a) Equity*	0.75	0.75
			(b) Preference	-	-
		(ii)	Units of SIB Fund	6.15	6.15

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:
(as per applicable provisioning norms)

Category			Amount Net of Provisions (as on 31.03.2017)			Amount Net of Provisions (as on 31.03.2016)		
			Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.	Related Parties							
	(a)	Subsidiaries	0.00	243.49	243.49	0.00	190.46	190.46
	(b)	Other related parties	0.04	0.46	0.50	0.03	0.36	0.39
2.	Other than related parties		169,075.67	71,542.75	240,618.42	148,299.22	89,580.71	237,879.93
	Total		169,075.71	71,786.70	240,862.41	148,299.25	89,771.53	238,070.78

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category			As on 31.03.2017		As on 31.03.2016	
			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	0.70	0.75	0.70	0.75
	(b)	Companies in the same group*	0.00	0.00	0.00	0.00
2.	Other than related parties					
	(i)	Quoted	3,170.10	2,883.02	2,292.10	2,222.74
	(ii)	Unquoted	331.47	707.36	6.30	6.15
	Total		**3,502.27**	**3,591.13**	**2,299.10**	**2,229.64**

(7) Other Information

Particulars			Amount (as on 31.03.2017)	Amount (as on 31.03.2016)
(i)	Gross Non-performing Assets			
	(a)	Other than related parties	30,718.61	7,520.19
(ii)	Net Non-performing Assets			
	(a)	Other than related parties	25,345.95	6,061.17
(iii)	Assets acquired in satisfaction of debt		341.10	0.00

*Book value as on 31.03.2016 excludes investment of ₹ 99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹ 10 of EESL (a JV Company).

$In case of negative break-up value, Nil value has been considered.

42.	Additional disclosure flowing from RBI schemes for dealing with stressed assets:

A. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

{Figures in brackets ( ) are for previous year} **(Amount in ₹ Crore)**

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)

B. Disclosures on Change in Ownership outside SDR Scheme.

{Figures in brackets ( ) are for previous year} **(Amount in ₹ Crore)**

No. of account s where banks have decided to effect change in owners hip	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)

43.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
44.	Figures have been rounded off to the nearest crore of rupees with two decimals.
45.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

FY 2017-18

Note Part – C

Consolidated Other Notes on Accounts

1. 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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. The consolidated financial statements represent consolidation of accounts of the Company (Power Finance Corporation Limited), its Subsidiary Companies and Joint Venture entity as detailed below:

Name of the Subsidiary Companies / Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2018	31.03.2017	01.04.2017 – 31.03.2018
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)[i]	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)[ii]	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)[i]	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)[iii]	India	100%	100%	Audited
Joint Venture Entities:				
Energy Efficiency Services Limited (EESL)	India	31.71%	31.71%	Unaudited

[i] Subsequent to decision by Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

[ii] In continuation to decision taken in meeting dated 09th August, 2016, Board of Directors of the Company in its meeting held on 29th September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.

[iii] Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

S. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Subsidiary Companies:					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited*	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited**	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	100%	0.05	0.05

	Total				0.75	0.75

*MoP vide its OM dated 16th January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.

**MoP vide its OM dated 21st June, 2016 has conveyed its approval for the winding up of TAMPL. The related proceedings are under way.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 6 subsidiary companies (out of 8 wholly owned subsidiaries of PFCCL, 2 were transferred to successful bidders during FY 2017-18) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

S. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Subsidiary Companies:						
1.	Fatehgarh-Bhadla Transmission Limited(i)	31.01.2017	14.03.2018	-	100%	-	0.01
2.	Goa- Tamnar Transmission Project Limited(i)	21.02.2017	14.03.2018	-	100%	-	0.01
3.	Bijawar-Vidharbha Transmission Limited	21.02.2017	--	100%	100%	0.01	0.01
4.	Shongtong Karcham-Wangtoo Transmission Limited	21.02.2017	--	100%	100%	0.01	0.01
5.	Tanda Transmission Company Limited(ii)	21.10.2013	--	100%	100%	0.05	0.05
6.	Ballabhgarh-GN Transmission Company Limited(ii)	21.10.2013	--	100%	100%	0.05	0.05
7.	Mohindergarh-Bhiwani Transmission Limited(ii)	23.12.2014	--	100%	100%	0.05	0.05
8.	South-Central East Delhi Power Transmission Limited(ii)	18.02.2015	--	100%	100%	-	0.05
	Total					**0.17**	**0.24**

(i) Transferred to successful bidder(s) on completion of the bidding process

(ii) Under process of winding up.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

2.3 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. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	153.75	190.38
(ii)	Claims against the Company not acknowledged as debts	68.65	11.74
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1694.60	1,640.56
	Total	**1,917.00**	**1,842.68**

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 165.39 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

3.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for, is ₹ 557.41 crore as on 31.03.2018 (Previous year ₹ 103.95 crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39[$]	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97[*]	118.39

[*] Pertaining to Assessment Year 2001-02 to 2015-16.

[$] Pertaining to Assessment Year 2001-02 to 2014-15.

5. A. The Company is creating Debenture Redemption Reserve (DRR) 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.

B. 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 borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2018.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	5.98	0.67
(iv)	Training Expenses	0.35	0.29
B.	**Earning in foreign currency**	0.88	1.27

*including withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
Total		**8,940.05**		**6,405.68**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore). In case of EESL, such exchange difference is recognized in the Statement of Profit and Loss.

D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Power Finance Corporation Limited	
Shri Rajeev Sharma, CMD and CEO (i)	with effect from 01.10.2016
Shri R Nagarajan, Director (Finance) and CFO(ii)	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO(iii)	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects)(iv)	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial)(v)	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014
Subsidiary Companies	
Shri Subir Mulchandani, CEO, PFCCL	With effect from 01.09.2016
Shri Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Shri Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt. Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Shri Avkash Saxena, Director (PECAP)	With effect from 23.09.2016

Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman & Director, EESL	with effect from 05.02.2018
Shri Kaushal Kishore Sharma, Chairman & Director	with effect from 21.10.2016 to 31.10.2017
Renu Narang, Director Finance	with effect from 01.03.2018
Pooja Shukla, Company Secretary	with effect from 27.12.2012

(i) Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

(ii) Director in PFCCL (w.e.f 21.10.2008 till 31.05.2017), PFCGEL (w.e.f 30.03.2011 till 31.05.2017), and PFC CAS (w.e.f 18.07.2011 till 31.05.2017).

(iii) Director in PFCCL (w.e.f 24.08.2017), PFCGEL (w.e.f 25.08.2017), and Additional Director in PFCCAS (w.e.f 17.11.2017).

(iv) Director in PFCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009), PFCCAS (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

(v) Director in PFCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCAS (w.e.f 30.03.2016)

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 4.26 crore (Previous year ₹ 4.36 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.51 crore).

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
Cheyyur Infra Limited	0.06	0.04	0.06	0.04
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
Subsidiaries of PFCCL	2.40	2.79	2.40	3.68
Total*	**474.18**	**398.41**	**474.35**	**400.96**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
Total	**459.01**	**441.32**	**459.64**	**441.32**

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(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	As at 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
Unearned finance income	**133.83**	**141.47**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
Total	**328.15**	**335.79**
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
Total	**194.32**	**194.32**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.45 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.

	(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.74 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2018 (Previous year ₹ 327.71 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices, warehouses and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable (non-cancellable in case of joint venture EESL and one of Company's subsidiary PFCCL). Rent for residential accommodation of employees include ₹ 5.77 crore (Previous year ₹ 6.10 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Consolidated Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 6.97 crore (Previous year ₹ 4.99 crore) are shown as office rent in Note Part A 17 – Consolidated Other Expenses. Future lease payments in respect of these lease arrangements (non-cancellable) are given below:

(₹ in crore)

Future minimum lease rent payments	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Not later than one year	8.50	8.49
Later than one year and not later than 5 years	19.04	5.31
Later than 5 years	3.34	5.74
Total	**30.88**	**19.54**

10. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Opening Balance	109.69	107.47
Add : Received during the period : Interest credited during the period : Refund by the borrower due to non – commissioning of project in time	- 9.32 -	- 9.06 -
Less : Interest subsidy passed on to borrowers : Refunded to MoP:- (a) Estimated net excess against IX Plan (b) Due to non- commissioning of Project in time (c) Estimated net excess against X Plan	3.01 - - -	6.84 - - -
Closing Balance	**116.00**	**109.69**

(B) 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 the 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-lended 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 ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

(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 subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).

(C) 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 guidelines.
Amount of GOI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017).

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.

11. (a) As regards RBI Credit Concentration Norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

(b) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.

12. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	228,432.50	780.72	1,340.65	159,726.85	(38.55)	559.93
(ii)	Restructured Standard Assets	24,167.65#	(950.53)	1,407.32	55,473.12	1,228.65	2,357.85
(iii)	Sub-standard Assets	17,375.97	(637.56)	1,737.60	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.03	944.20	3,652.46	6,677.81	1,986.27	2,708.26
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
(B) Other Assets and provision thereon							
(i)	Other Assets – NPA / Bad & Doubtful (other than considered good)	5.26	(12.01)	5.26	17.29	16.26	17.27
(ii)	Trade Receivable*- NPA	10.68	2.94	10.68	7.74	7.74	7.74
	Grand Total	**2,79,344.19**	**570.02**	**8,869.07**	**245,927.21**	**5,112.33**	**8,299.05**

₹ 4,937.59 crore in private sector and ₹ 19,230.06 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 36,027.20 crore in Govt. sector).

* Pertains to PFCCL (One of Company's Subsidiary) and EESL (Joint Venture).

13. In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).

14. Basis of secured / un-secured categorization of loan assets:

a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.

b) In all other cases, secured / un-secured categorization is done on the basis of security status obtained from the lead lender.

15. Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

S. N	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017	No. of borrowers						**22**	**2**	**7**	**-**	**31**	**22**	**2**	**7**	**-**	**31**
		Amount outstanding	Nil					**55,473.12**	**15,001.83**	**4,768.24**	**-**	**75,243.19**	**55,473.12**	**15,001.83**	**4,768.24**	**-**	**75,243.19**
		Provision Thereon						**2,357.85**	**1,500.18**	**1,662.61**	**-**	**5,520.64**	**2,357.85**	**1,500.18**	**1,662.61**	**-**	**5,520.64**
2	Categorised as restructured during the year	No. of borrowers						6	-	-	-	**6**	6	-	-	-	**6**
		Amount outstanding	Nil					713.34	-	-	-	**713.34**	713.34	-	-	-	**713.34**
		Provision Thereon						35.67	-	-	-	**35.67**	35.67	-	-	-	**35.67**
3	Up gradations to restructured standard category during the year	No. of borrowers						2	(2)	-	-	**-**	2	(2)	-	-	**-**
		Amount outstanding	Nil					12,016.83	(15,001.83)	-	-	**(2,985.00)**	12,016.83	(15,001.83)	-	-	**(2,985.00)**
		Provision Thereon						600.84	(1,500.18)	-	-	**(899.34)**	600.84	(1,500.18)	-	-	**(899.34)**
4	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY (including Pre-payment of loan)	No. of borrowers						(10)	-	-	-	**(10)**	(10)	-	-	-	**(10)**
		Amount outstanding	Nil					(34,774.80)	-	-	-	**(34,774.80)**	(34,774.80)	-	-	-	**(34,774.80)**
		Provision Thereon						(1,481.84)	-	-	-	**(1,481.84)**	(1,481.84)	-	-	-	**(1,481.84)**
5	Down gradation of restructured accounts during the year	No. of borrowers						(6)	4	2	-	**-**	(6)	4	2	-	**-**
		Amount outstanding	Nil					(10,558.39)	9,069.61	2,121.12	-	**632.33**	(10,558.39)	9,069.61	2,121.12	-	**632.33**
		Provision Thereon						(448.73)	906.96	424.22	-	**882.45**	(448.73)	906.96	424.22	-	**882.45**
6	Write-offs restructured accounts during the year	No. of borrowers						-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding	Nil					-	-	-	-	**-**	-	-	-	-	**-**
		Provision Thereon						-	-	-	-	**-**	-	-	-	-	**-**
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers						-	-	(1)	-	**(1)**	-	-	(1)	-	**(1)**
		Amount outstanding	Nil					-	-	(615.67)	-	**(615.67)**	-	-	(615.67)	-	**(615.67)**
		Provision Thereon						-	-	(382.55)	-	**(382.55)**	-	-	(382.55)	-	**(382.55)**
8	Restructured accounts as on 31st March, 2018	No. of borrowers						**14**	**4**	**8**	**-**	**26**	**14**	**4**	**8**	**-**	**26**
		Amount outstanding	Nil					**24,167.65**	**9,069.61**	**6,697.52**	**-**	**39,934.78**	**24,167.65**	**9,069.61**	**6,697.52**	**-**	**39,934.78**
		Provision Thereon						**1,407.32**	**906.96**	**2,469.68**	**-**	**4,783.96**	**1,407.32**	**906.96**	**2,469.68**	**-**	**4,783.96**

16.	Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest / income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).

17. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 20 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities as per Company rules. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. The provision for the same has been made on actuarial valuation. 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.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2018 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)
Interest cost on benefit obligation	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	- (-)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain) / loss recognised in the year	-10.76 (-0.21)	5.46 (2.87)	3.69 (2.44)
Expenses recognised in Statement of Profit & Loss Account*	1.75 (1.53)	6.67 (4.04)	10.08 (7.83)

*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2018 (i)	26.02 (23.15)	27.81 (21.82)	22.12 (31.23)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	- (-)
Difference (ii) – (i)	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)
Net asset / (liability) recognized in the Balance Sheet	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	23.16 (20.83)	21.82 (17.83)	31.23 (27.11)
Acquisition adjustment	- (-)	- (-)	- (0.01)
Interest cost	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Current service cost	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)
Benefits paid	-0.85 (-0.99)	-2.36 (-1.09)	-19.24 (-3.72)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain)/loss on obligation	-10.76 (-0.27)	5.69 (2.87)	3.69 (2.44)
Present value of the defined benefit obligation as at 31.03.2018	25.99 (23.15)	27.81 (21.82)	22.06 (31.23)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	- (-)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	- (-)
Contributions by employer	1.22 (0.47)	4.07 (17.93)	- (-)
Benefit paid	-0.82 (-0.98)	-1.71 (-0.83)	- (-)
Actuarial gain / (loss)	- (-0.06)	0.24 (0.04)	- (-)
Fair value of plan assets as at 31.03.2018	24.07 (21.74)	22.20 (18.15)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)

Particulars	**PRMS**	**Service and Interest Cost**
Cost increase by 1%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.08 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (previous year ₹ 0.05 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

(₹ in crore)

S. No.	**Description**	**As at 31.03.2018**	**As at 31.03.2017**
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures[(1)]	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	Total	**23.55**	**21.12**

[(1)]As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
Future salary increase*	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2018 are as follows:-

(₹ in crore)

S.No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	Total	**21.71**	**17.58**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
Future salary increase*	6.00%

*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.99	23.15	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.92)	(1.41)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	22.06	31.23	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)

(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on CSR Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed by the Company during the year ended 31.03.2018.On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities during the year:

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	151.19	167.64
Carry forward from previous year	100.21	102.98
Gross amount required to be spent	251.40	270.62
Amount spent during the year	120.16	170.41
Unspent amount	131.24	100.21

(c) Amount spent during the year on CSR activities:

(₹ in crore)

		FY 2017-18			FY 2016-17		
S. No.	Particulars	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	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	-	-	-	0.10	-	0.10

(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
(iii)	Amount spent by Subsidiaries / JVs	1.92	0.06	1.98	2.29	0.01	2.30
	Total (ii)	**120.10**	**0.06**	**120.16**	**169.20**	**1.21**	**170.41**
	Grand Total (i) and (ii)			**120.16**			**170.41**

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Consolidated Other Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.21 (102.98)	1.91 (167.64)	1.92 (170.40)	100.20 (-)	- (100.22)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	1.79 (16.83)	0.84 (1.79)	1.79 (16.83)	- (-)	0.84 (1.79)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Consolidated Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

S. No.	Consolidated Significant Accounting Policy No.	Consolidated Significant Accounting Policy Title	Modifications	Impact on PBT [increase / (decrease)]
1.	C 2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	C 8.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in	(67.83)

			Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	
3.	C 9	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
Total				**(243.54)**

21. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2.	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.[1]	3	5%
3.	Office and other Equipment [1]	5	5%
3A	Cell Phone[2]	2	5%
4.	Furniture & Fixture[1]	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets[3]	5	-
7.	ESCO Projects[4]	Project period	-
8.	Leasehold improvements[5]	Lease period	-

[1] Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

[2] Useful life has been taken by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (Joint Venture).

[3] In case of PFCCL (Company's Subsidiary) useful life taken as 3 years.

[4] As disclosed by EESL (Joint Venture).

[5] Useful life taken by EESL (Joint Venture) and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).

Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than the life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act, 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2018, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 91.37% of the consolidated net block of fixed assets (83.56% as on 31.03.2017).

22. The Company has no outstanding liability towards Micro, Small and Medium enterprises (previous year ₹ 0.002 crore).

23. Leasehold land is not amortized, as it is a perpetual lease.

24. As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.

25. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.

26. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	19.06	20.45
(ii) Preliminary Expenses	-	-
(iii) Employee related provisions	0.48	0.45
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	1.33	(0.45)
(ii) Lease income	(66.64)	(66.00)
(iii) Amortization	(0.31)	(0.24)
(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)
(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)
(vi) Unamortise Exp on Borrowings	(58.77)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(296.16)**	**(247.55)**

27. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2018	During year ended 31.03.2017
Net Profit after tax used as numerator (₹ in crore)	5,844.11	2,236.10
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	264,00,81,408
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	264,00,81,408
Earning per equity share, face value ₹ 10 each(basic) (₹)	22.14	8.47
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.14	8.47

28. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:

Particulars	Year ended 31.03.2018			Year ended 31.03.2017		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	60%(1)	6.00	1,584.05	50%	5.00	1,320.04
Second Interim dividend	18%(2)	1.80	475.21	-	-	-
Final Dividend	-	-	-	-	-	-
Total Dividend	**78%**	**7.80**	**2,059.26**	**50%**	**5.00**	**1,320.04**

(1)Declared by Board of Directors in their 367th meeting held on 03.11.2017 and paid on 23.11.2017.
(2)Declared by Board of Directors in their 370th meeting held on 26.02.2018 and paid on 19.03.2018.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Number of non-resident	4,573	3,343	5,237	NA	NA	NA

shareholders						
Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA

29. Other key financial parameters:

Description	As at 31.03.2018	As at 31.03.2017
Debt Equity Ratio	5.73	5.51
Net worth (₹ in crore)	40,201.74	36,844.93

30. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2018	As at 31.03.2017
(i)	Capital Fund - a. Tier I (₹ in crore)	36,887.71	33,837.70
	- b. Tier II (₹ in crore)	6,479.79	6,373.62
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,15,574.67	2,07,212.06
(iii)	CRAR	20.12%	19.41%
(iv)	CRAR – Tier I Capital	17.11%	16.33%
(v)	CRAR – Tier II Capital	3.01%	3.08%
		During the year ended 31.03.2018	**During the year ended 31.03.2017**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

31. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2018.

32. In respect of subsidiary companies, disclosures have been appropriately consolidated from their audited accounts and similarly in case of EESL (Joint Venture), from its unaudited accounts.

33. **Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.**

(A) Significant Accounting Policies

Reference may be made to Consolidated Other Note - Part - B.

(B) Capital

Reference may be made to Consolidated Other Note Part C - 30 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.			Description	As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,291.29	3,234.93
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	344.47	89.81
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	1,946.82	3,145.12
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)		Opening balance	89.91	96.26
	(ii)		Add : Provisions made during the year	254.56	86.69
	(iii)		Less : Write-off / write-back of excess provisions during the year		93.04
	(iv)		Closing balance	344.47	89.91

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	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)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the Accounting Standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.

d. Reference may be made to Note Part B – C 10 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Particular		As at 31.03.2018		As at 31.03.2017	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)					
	For hedging[1]		9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	2.78	180.81	0.00	299.87
	b)	Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[2]		8,940.05	7,391.86	6,405.68	6,296.24

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 crore).

(E) Disclosures related to Securitization

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2018 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30/31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits[1]	532.95	-	-	-	-	-	-	-	**532.95**
Advances [2]	4,494.07	688.44	3,905.59	7,918.51	12,704.58	42,811.88	47,806.05	159,026.60	**279,355.71**
Investments[3]	-	-	-	-	1,070.76	-	-	1,265.60	**2,336.36**
Borrowings[4]	1,275.80	2,805.00	7,345.70	12,457.70	13,325.06	69,867.71	37,178.05	67,628.47	**211,883.49**
Foreign Currency assets	-	-	-	-	-	-	-	240.96	**240.96**
Foreign Currency Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	**18,260.08**

[1] Fixed Deposit with Banks
[2] Rupee Loan Assets
[3] Net of provision
[4] Rupee Liabilities

(G) Exposures

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2018	Amount as at 31.03.2017
(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);	1485.14	1,428.78
(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;	2,700.47	2,772.39
(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
	Total Exposure to Capital Market	**4,191.76**	**4,207.32**

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2017-18 and FY 2016-17.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2018 (Previous year Nil).

(H) Registration obtained from other financial sector regulators:

Nil.

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2018, no penalty has been imposed on the Company by RBI and other regulators (Previous year Nil).

(J) Credit rating

a. 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+
4.	SMERA (of PFCGEL)	SMERA AAA (Stable Outlook)	

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2018:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Consolidated Statement of Profit And Loss, Note Part A-18 and Consolidated other Note Part C-20 regarding Consolidated prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Reference may be made to consolidated Note Part C-16

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 2 and Part C – 2 .1 of Consolidated Notes to Accounts in this regard.

(N) Provisions and Contingencies

(₹ In crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	344.47	(89.91)
Provision towards NPA	739.84	3,922.223
Provision for Standard Assets	780.71	(38.55)
Restructured Standard Assets	(950.53)	1,228.65
Provision made towards Income tax	2,465.16	3,121.24

(O) Draw Down from Reserves

Reference may be made to Note Part A – 2 Consolidated Reserves & Surplus.

(P) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.20%	62.44%

c. **Concentration of Exposures:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers / customers	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	53.80%	56.13%

d. **Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

e. **Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In crore)

Sl. No.		Description	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Net NPAs to Net Advances (%)		7.55%	10.55
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	30,702.21	7,519.04
	(b)	Additions during the year	15,503.46	24,573.14
	(c)	Reductions during the year	19,477.53	1,389.97
	(d)	Closing balance	26,728.14	30,702.21
(iii)	Movement of Net NPAs			
	(a)	Opening balance	25,345.96	6,061.02
	(b)	Additions during the year	12,474.88	20,536.64
	(c)	Reductions during the year	17,197.85	1,251.70
	(d)	Closing balance	20,622.99	25,345.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	5,356.25	1458.02
	(b)	Provisions made during the year	3,028.57	4,036.50
	(c)	Write-off / write-back of excess provisions	2,279.67	138.27
	(d)	Closing balance	6,105.15	5,356.25

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Consolidated Other Note Part C – 2.1 for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2017-18

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

34. As prescribed by Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as they are applicable)

(₹ in Crore)

		Particulars	Amount as on 31.03.2018		Amount as on 31.03.2017	
		Liabilities Side	**outstanding**	**overdue**	**outstanding**	**overdue**
(1)		**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	20,401.58	0.00	20,109.87	0.00
		: Unsecured	176,033.95	0.00	170,800.80	0.00
	(b)	(i) Rupee Term Loans	10,525.00	0.00	2,000.00	0.00
		(ii) Foreign Currency Loans	15,653.08	0.00	7,276.58	0.00
	(c)	Commercial Paper	6,924.74	0.00	-	0.00
	(d)	Short Term Borrowings	-	0.00	2,400.79	0.00

				Assets Side	Principal Amount Outstanding as on 31.03.2018	Principal Amount Outstanding as on 31.03.2017
(2)				**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**		
	(a)			Secured	184,084.34	168,881.39
	(b)			Unsecured	89,321.80	71,786.70
(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	174.89	194.32
(4)				**Break-up of Investments (Net of Provisions)**		
	Current Investments					
	1.			Quoted		
		(i)		Shares		
				(a) Equity	1,070.76	1,071.02
	2.			Unquoted		
		(i)		Shares		
				(a) Equity	-	254.51
	Long Term Investments					
	1.			Quoted		
		(i)		Shares		
				(a) Equity	12.00	12.00
		(ii)		Debentures and Bonds	800.00	1,800.00
	2.			Unquoted		
		(i)		Shares		
				(a) Equity	147.45	147.45
				(b) Preference	-	-
		(ii)		Units of SIB Fund	6.15	6.15

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:
(as per applicable provisioning norms)

		Category	Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 31.03.2017)		
			Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.		Related Parties						
	(a)	Subsidiaries	0.00	289.22	289.22	0.00	243.49	243.49
	(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
2.		Other than related parties	184,259.20	89,032.09	273,291.29	169,075.67	71,542.75	240,618.42
		Total	184,259.23	89,321.80	273,581.03	169,075.71	71,786.70	240,862.41

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

		Category	As on 31.03.2018		As on 31.03.2017	
			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)**
1.		Related Parties				
	(a)	Subsidiaries	201.82	0.95	255.19	0.95
	(b)	Companies in the same group	166.78	146.50	177.89	146.50
2.		Other than related parties				
	(i)	Quoted	2,030.92	1,882.76	3,170.10	2,883.02
	(ii)	Unquoted	342.70	6.15	331.47	260.66
		Total	**2,742.22**	**2,036.36**	**3,934.65**	**3,291.13**

(7) Other Information

		Particulars	Amount (as on 31.03.2018)	Amount (as on 31.03.2017)
(i)		Gross Non-performing Assets		
	(a)	Other than related parties	26,730.65	30,718.61
(ii)		Net Non-performing Assets		
	(a)	Other than related parties	20,622.99	25,345.95
(iii)		Assets acquired in satisfaction of debt	341.10	341.10

$In case of negative break-up value, Nil value has been considered.

35.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
36.	Figures have been rounded off to the nearest crore of rupees with two decimals.
37.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

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EXAMINATION REPORT ON REFORMATTED STANDALONE FINANCIAL INFORMATION (UNDER IGAAP)

Date: 20 September 2019

To,
The Board of Directors
Power Finance Corporation Limited
Urjanidhi
1 Barakhamba Lane, Connaught Place
New Delhi 110 001
India

Dear Sirs,

Sub: Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited ("Company") in one of more tranches from time to time ("Issue")

1. The management of the Company has approved the accompanying Reformatted Standalone Financial Information of the Company as at and for the years ended on March 31, 2018, 2017, 2016, and 2015 comprising of Reformatted Standalone Statement of Assets and Liabilities (Annexure I), Reformatted Standalone Statement of Profit and Loss (Annexure II), Reformatted Standalone Cash Flow Statement (Annexure III) as on and for the years ended March 31, 2018, 2017, 2016 and 2015, the Summary Statement of Significant Accounting Policies (Annexure IV) and Notes to Accounts (Annexure V), (collectively referred to as "**Reformatted Standalone Financial Information under IGAAP**") annexed to this report, in accordance with the requirements of:

   (a) Section 26 of Part I of Chapter Ill of the Companies Act, 2013 ("**the Act**");

   (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("**SEBI Regulations**"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;

   (c) the Guidance Note issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

   to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the "**Prospectuses**"), in connection with the proposed public issue of NCDs by the Company.

2. These Reformatted Standalone Financial Information have been compiled by the Management from the audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2018, 2017, 2016, and 2015 prepared in accordance with Indian Accounting principles generally accepted in India ("**IGAAP**") as prescribed under Section 133 of the Act, read with relevant rules thereunder which have been approved by the Board of Directors.

3. We have examined the Reformatted Standalone Financial Information under IGAAP as stated in para 1 & 2 above.

4. Based on our examination and according to the information and explanation given to us, we report that, the Reformatted Standalone Financial Information, and Other Standalone Financial Information of the Company mentioned above, as at and for the years ended March 31, 2018, 2017, 2016 and 2015 have been prepared in accordance with Section 26 of the Act and the SEBI Regulations. We further state that:

   The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the standalone financial statements for the year ended March 31, 2018 for the purpose of Reformatted Standalone Financial Information.

5. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) l; Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements

6. This report should not, in any way, be construed as a re -Issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/ information referred to herein.

   The data in the "Standalone Financial Information" has been extracted from the Audited Financial Statements of the Company, duly audited by the then Statutory Auditors of the Company appointed by C&AG. For the purpose of our examination we have relied on:

   (a) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co., Chartered Accountants, dated May 25, 2018 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2018 as referred in paragraph 4 above;

(b) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants &K.B. Chandna & Co., Chartered Accountants, dated May 29, 2017 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2017 as referred in paragraph 4 above;

(c) Auditors' report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 25, 2016 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2016 as referred in paragraph 4 above; and

(d) Auditors' report issued by K.B. Chandna & Co., Chartered Accountants & N.K. Bhargava & Co., Chartered Accountants, dated May 28, 2015 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2015 as referred in paragraph 4 above.

7. There is no qualification or adverse remark in the auditor's report on the financial statements for the years ended March 31, 2018, 2017, 2016 and 2015. However, there are Emphasis of Matter in the annexure to the auditor's reports which have been included in **Annexure – A**, which do not have any quantifiable impact on the Standalone Reformatted Financial Information.

8. The Management of the Company is responsible for preparation of the Reformatted Standalone Financial Information for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations.

9. We have examined such Reformatted Standalone Financial Information taking into consideration:

(a) The term of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 14, 2019 in connection with the proposed Issue of NCDs of the Company;

(b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of tests checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under IGAAP; and

(d) The requirements of Section 26 of the Act and SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

11. At the Company's request, we have also examined the following other standalone financial information of the Company as at and for the years ended on March 31, 2018, 2017, 2016 and 2015 (Collectively referred to as "**Other Standalone Financial Information**") proposed to be included in the Prospectuses as approved by the Management of the Company, annexed to this report:

    I. Statements of Accounting Ratios (Standalone), as at and for the financial years ended March 31, 2018, 2017, 2016 and 2015 (Annexure – VI)

    II. Statement of Dividends (Standalone), for the financial years ended March 31, 2018, 2017, 2016, and 2015 (Annexure – VII)

    III. Capitalization Statement (Standalone), as at years ended March 31, 2018, 2017, 2016, and 2015 (Annexure – VIII)

12. **Restriction of use**

    Our report is intended solely for the use of Board of Directors for inclusion in the Prospectuses to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Public Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For and on behalf of

Gandhi Minocha & Co.
Chartered Accountants

Name: CA Manoj Bhardwaj
Designation: Partner
Membership Number: 098606
Date: 20.09.2019
Firm Regn Number: 000458N
Place: New Delhi

Dass Gupta and Associates
Chartered Accountants

Name: CA Pankaj Mangal
Designation: Partner
MembershipNumber: 097890
Date: 20.09.2019
Firm Regn Number: 000112N
Place: New Delhi

CC:
1) Lead Managers to the Issue

Gandhi Mincoha & Co.
Chartered Accountants
B-6 Shakti Nagar extension,
Near Laxmi Bai College,
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manojbhardwaj@gandhiminocha.com

Dass Gupta and Associates
Chartered Accountants
NDG Center,
B-4, Gulmohar Park
New Delhi – 110 049
admin@dassgupta.com

ANNEXURE - A

Financial Year	Auditor Remarks
FY 2018	None
FY 2017	**Emphasis of Matter** (a) Note No. 15 of Part-C 'Other Notes on Accounts', regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by Rs. 3,427.18 crore and reversal of income by Rs. 527.37 crore during the year on state sector loans. (b) Note No. 19 of Part-C 'Other Notes on Accounts', regarding income reversal of Rs. 413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon'ble High Court of Madras. (c) Note No. 5 (E) of Part-C 'Other Notes on Accounts', whereby income of Rs. 178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.
FY 2016	**Emphasis of Matter** (a) Note no. 13 (C) of Part-C 'Other Notes on Accounts' regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016. (b) Note No. 15 of Part-C 'Other Notes on Accounts', regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.
FY 2015	**Emphasis of Matter** Note No. 18 of Part-C of other notes to accounts, regarding application of prudential norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement/ Renegotiation (R/R/R) for the financial year 2014-15 for reasons indicated therein.

Annexure - I

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED BALANCE SHEET AS AT 31.03.2018, 31.03.2017, 31.03.2016 AND 31.03.2015

(₹ in Crore)

Description	Note Part	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
A EQUITY AND LIABILITIES									
(1) Shareholders' Funds									
(i) Share Capital	A-1	2,640.08		2,640.08		1,320.04		1,320.04	
(ii) Reserves & Surplus	A-2	37,220.59	39,860.67	33,830.13	36,470.21	34,445.99	35,766.03	30,899.17	32,219.21
(2) Non-Current Liabilities									
(i) Long Term Borrowings	A-3								
Secured		13,350.64		20,106.17		19,869.75		20,786.66	
Un-secured		1,78,148.04	1,91,498.68	1,54,735.19	1,74,841.36	1,52,679.95	1,72,549.70	1,44,186.80	1,64,973.46
(ii) Deferred Tax Liabilities (Net)	C-26		300.90		250.51		302.06		189.25
(iii) Other Long Term Liabilities	A-4		5,917.82		6,142.58		548.75		333.81
(iv) Long Term Provisions	A-5		2,245.82		2,662.83		1,324.67		1,031.71
(3) Current Liabilities									
(i) Short -Term Borrowings	A-3								
Secured		0.00		2,400.79		0.00		1,928.17	
Un-secured		6,924.74		0.00		7,571.57		2,136.24	
(ii) Other Current Liabilities									
a) Borrowings	A-3								
Secured		7,050.94		3.70		1,916.91		1,990.00	
Un-secured		24,063.99		25,342.19		18,446.26		16,745.28	
b) Other Short Term Liabilities	A-4	7,879.18		8,420.17		7,502.42		6,660.01	
(iii) Short Term Provisions	A-5	722.43	46,641.28	1,927.11	38,093.96	805.44	36,242.60	525.23	29,984.93
Total			**2,86,465.17**		**2,58,461.45**		**2,46,733.81**		**2,28,732.37**
B ASSETS									
(1) Non-Current Assets									
(i) Fixed Assets	A-6								
a) Tangible Assets		109.03		106.51		105.13		104.48	
Less: Accumulated Depreciation		45.09	63.94	44.63	61.88	42.57	62.56	40.42	64.06
b) Intangible Assets		9.46		8.95		8.77		8.26	
Less: Accumulated Amortization		8.57	0.89	8.26	0.69	7.42	1.35	6.53	1.73
c) Intangible Assets under Development			0.00		0.00		0.16		0.00
(ii) Non-Current Investments	A-7								
Trade		465.60		465.60		466.73		347.28	
Others		800.00	1,265.60	1,800.00	2,265.60	1,800.00	2,266.73	0.00	347.28
(iii) Long Term Loans	A-8								
Secured		1,55,786.78		1,38,306.30		1,34,642.08		1,29,609.30	
Un-Secured		79,033.75	2,34,820.53	62,026.71	2,00,333.01	65,394.00	2,00,036.08	68,233.61	1,97,842.91
(iv) Other Non-Current Assets	A-9		5,891.71		5,568.49		410.36		292.82
(2) Current Assets									
(i) Current Investments	A-10	1,070.76		1,325.53		410.74		504.04	
(ii) Cash and Bank Balances	A-11	553.20		3,573.15		78.45		5,070.80	
(iii) Short Term Loans	A-8								
Secured		6,351.65		1,490.49		1,092.51		549.88	
Un-Secured		5,083.77		4,468.71		2,711.45		2,456.12	
(iv) Other Current Assets									
a) Current Maturity of Long Term Loans	A-8								
Secured		21,429.53		28,635.13		12,191.12		10,710.13	
Un-Secured		5,126.68		5,241.68		21,431.03		5,601.96	
b) Others	A-9	4,806.91	44,422.50	5,497.09	50,231.78	6,041.27	43,956.57	5,290.64	30,183.57
Total			**2,86,465.17**		**2,58,461.45**		**2,46,733.81**		**2,28,732.37**

Annexure - II

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018, 31.03.2017, 31.03.2016 AND 31.03.2015

(₹ in Crore)

	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
I.	**Revenue from Operations**	**A-12**								
	Interest		25,820.86		26,270.08		27,079.44		24,586.10	
	Other Operating Income		271.37		321.11		140.94		121.78	
	Other Financial Services		322.24	26,414.47	316.34	26,907.53	275.83	27,496.21	143.89	24,851.77
II.	**Other Income**									
	Other Income	A-13		323.27		111.04		68.10		56.08
III.	**Total Income (I + II)**			**26,737.74**		**27,018.57**		**27,564.31**		**24,907.85**
IV.	**Expenses**									
	Finance Costs	A-14		17,204.85		16,432.69		16,473.81		15,439.23
	Borrowing Expenses	A-15		28.16		26.58		33.44		31.40
	Employee Benefit Expenses	A-16		166.78		114.97		90.37		85.81
	Provisions			560.83		5,101.08		1,609.32		842.91
	Provision for decline in value of investments	A-10		254.51		(7.51)		96.26		1.06
	Depreciation and Amortization expenses	A-6		6.41		5.56		6.17		6.09
	CSR Expenses			118.18		166.15		145.79		117.49
	Other Expenses	A-17		71.00		67.79		50.62		7.79
	Prior Period Items (Net)	A-18		0.07		1.47		(2.13)		(2.16)
	Total Expenses			**18,410.79**		**21,908.78**		**18,503.65**		**16,529.62**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			**8,326.95**		**5,109.79**		**9,060.66**		**8,378.23**
VI.	Exceptional Items			0.00		0.00		0.00		0.00
VII.	**Profit before extraordinary items and tax (V-VI)**			**8,326.95**		**5,109.79**		**9,060.66**		**8,378.23**
VIII.	Extraordinary Items			0.00		0.00		0.00		0.00
IX.	**Profit Before Tax (VII-VIII)**			**8,326.95**		**5,109.79**		**9,060.66**		**8,378.23**
X.	**Tax Expenses**									
	(1) Current Tax									
	Current Year		2,421.76		3,074.39		2,822.26		2,502.42	
	Earlier Years		(0.42)	2,421.34	(0.09)	3,074.30	12.11	2,834.37	0.46	2,502.88
	(2) Deferred Tax liability(+) / Asset(-)			50.39		(90.90)		112.81		(83.98)
XI.	**Profit (Loss) for the year from continuing operations (IX-X)**			**5,855.22**		**2,126.39**		**6,113.48**		**5,959.33**
XII.	**Earnings per equity share of par value of ₹ 10/- each**									
	Basic (₹)			**22.18**		**8.05**		**46.31**		**45.15**
	Diluted (₹)			**22.18**		**8.05**		**46.31**		**45.15**

Annexure - III

POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

REFORMATTED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Crore)

	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
I.	**Cash Flow from Operating Activities :-**									
	Net Profit before Tax and Extraordinary items		**8,326.95**		**5,109.79**		**9,060.66**		**8,378.23**	
	ADD: Adjustments for									
	Loss on Sale of Fixed Assets (net)		0.42		0.16		0.14		(0.04)	
	Profit on sale of Investments	A-13	(0.78)		(0.50)		(0.49)		(1.31)	
	Depreciation / Amortization (including Prior period depreciation)	A-6	6.41		5.78		6.17		6.09	
	Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)		99.49		(11.55)		47.50	
	Foreign Exchange Translation Loss		229.55		221.48		306.16		222.64	
	Net Change in Fair Value of Derivatives	A-14	132.45		(178.15)		0.00		0.00	
	Provision for decline in value of investments		254.51		(7.51)		96.26		1.06	
	Provisions	C-12	560.83		5101.08		1609.32		842.91	
	Dividend on investment	A-13	(146.32)		(93.77)		(70.66)		(31.46)	
	CSR Expenses		0.00		166.15		145.79		117.49	
	Interest Subsidy Fund		6.31		2.22		(3.88)		(12.52)	
	Provision for interest under IT Act		0.00		0.69		0.00		4.32	
	Excess Liabilities & Provisions written back	A-13	(164.92)		(0.12)		(0.30)		(2.45)	
	Provision for Retirement Benefits / Other Welfare Expenses / Wage revision		72.39		18.59		20.84		21.94	
	Operating profit before Working Capital Changes:		**9,211.39**		**10,445.38**		**11,158.46**		**9,594.40**	
	Increase / Decrease :									
	Loan Assets (Net)		(33,387.74)		(6,939.35)		(21220.77)		(28570.46)	
	Other Assets		13.78		(4,625.63)		(774.44)		(725.94)	
	Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(v)	(1.09)		92.18		(359.18)		328.65	
	Liabilities and provisions		(746.51)		6347.39		878.88		358.98	
	Cash flow before extraordinary items		**(24,910.17)**		**5,319.97**		**(10,317.05)**		**(19,014.37)**	
	Extraordinary items		0.00		0.00		0.00		0.00	
	Cash Inflow / Outflow from operations before Tax		**(24,910.17)**		**5,319.97**		**(10,317.05)**		**(19,014.37)**	
	Income Tax paid		(2,619.53)		(3,302.04)		(3059.54)		(2453.36)	
	Income Tax Refund		1.36		68.61		37.62		5.67	
	Net Cash flow from Operating Activities			**(27,528.34)**		**2,086.54**		**(13,338.97)**		**(21,462.06)**
II.	**Cash Flow From Investing Activities :**									
	Sale / adjustment of Tangible / Intangible Assets		0.23		0.09		0.14		0.18	
	Purchase of Tangible / Intangible Assets	A-6	(9.32)		(4.51)		(4.57)		(4.30)	
	Increase / decrease in Intangible assets under development	A-6	0.00		(0.02)		(0.16)		0.00	
	Dividend on investment		146.23		93.77		70.66		31.46	
	Purchase / Sale of Other Investments		1,001.04		(564.55)		(1,921.92)		(498.90)	
	Net Cash Used in Investing Activities			**1138.18**		**(475.22)**		**(1855.85)**		**(471.56)**
III.	**Cash Flow From Financing Activities :**									
	Issue of Bonds (including premium) (Net)		4,046.30		18,570.20		11711.11		32857.60	
	Raising of Long Term Loans (Net)		8,525.00		(9,000.00)		(3585.00)		(7885.00)	
	Foreign Currency Loans (Net)		9,584.90		(2,559.98)		732.75		566.33	
	Commercial paper (Net)		7,030.00		(5,350.00)		3195.00		805.00	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,400.79)		115.59		357.03		1,928.17	
	Unclaimed Bonds (Net)		3.41		(3.32)		(0.13)		(0.57)	
	Unclaimed Dividend (Net)		1.20		(0.29)		0.40		(0.13)	
	Payment of Final Dividend of Previous year		0.00		(79.20)		(79.20)		(26.40)	
	Payment of Interim Dividend of Current / Previous year*		(2,505.30)		0.00		(1755.66)		(1122.04)	
	Payment of Corporate Dividend Tax		(471.59)		(217.64)		(372.86)		(228.59)	
	Net Cash in-flow from Financing Activities			**23,813.13**		**1,475.36**		**10,203.44**		**26,894.37**
	Net Increase / Decrease in Cash & Cash Equivalents			**(2,577.03)**		**3,086.68**		**(4,991.38)**		**4,960.75**
	Add : Cash & Cash Equivalents at beginning of the financial year			3,114.74		28.06		5,019.44		58.69
	Cash & Cash Equivalents at the end of the financial year			**537.71**		**3,114.74**		**28.06**		**5,019.44**
	Details of Cash & Cash Equivalents at the end of the year:	**A-11**								
i)	Balances in current accounts with:									
	Reserve Bank of India		0.02		0.02		0.05		0.05	
	Scheduled Banks		4.74	4.76	42.84	42.86	28.01	28.06	127.16	127.21
ii)	Cheques in hand			0.00		0.00		0.00		0.01
iii)	Imprest with postal authority			0.00		0.00		0.00		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			532.95		3,071.88		-		4,892.22
	Sub Total (I)			**537.71**		**3,114.74**		**28.06**		**5,019.44**
	Details of Earmarked Cash and Bank Balances at the end of the year:	**A-11**								
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.			11.04		458.41		6.41		1.36
ii)	IPDS / R-APDRP									
	Balances in current account with schedule banks			4.45		0.00		13.01		5.00
	Fixed Deposits with Banks (original maturity up to 3 months)			0.00		0.00		0.00		45.00
iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)			0.00		0.00		30.97		0.00
	Sub Total (II)			**15.49**		**458.41**		**50.39**		**51.36**
	Total Cash and Bank Balance at the end of the year (I+II)			**553.20**		**3,573.15**		**78.45**		**5,070.80**

* Out of interim dividend provision of ₹ 1320.04 crore as on 31.03.2017, ₹ 874 crore has been adjusted against advance paid to GoI & remaining ₹ 446.04 crore has been paid during the current year.

NOTE - Part A - 1
SHARE CAPITAL

(₹ in Crore)

	Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
A	**Authorized :**				
	10,00,00,00,000 Equity shares of par value of ₹ 10/- each	10,000.00	10,000.00	2,000.00	2,000.00
	Total	**10,000.00**	**10,000.00**	**2,000.00**	**2,000.00**
B	**Issued, subscribed and fully paid up :**				
	2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up	2,640.08	2,640.08	1,320.04	1,320.04
	Total	**2,640.08**	**2,640.08**	**1,320.04**	**1,320.04**

NOTE - Part A - 2

RESERVES & SURPLUS

(₹ in Crore)

	Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
(A)	**Securities Premium Account**								
	Opening balance	2,776.54		4,096.58		4096.37		4,096.37	
	Add : Addition during the year	0.00		0.00		0.21			
	Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2776.54	-	4,096.58	-	4,096.37
(B)	**Debenture Redemption Reserve**								
	Opening balance	1,434.17		1,172.55		856.28		546.08	
	Add : Transfer from Surplus	292.65		298.02		316.27		310.20	
	Less: Transfer to Surplus on account of utilization	0.00	1,726.82	36.40	1,434.17	-	1,172.55	-	856.28
(C)	**Others**								
(i)	**Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961**								
	Opening balance	3,014.69		2,547.14		2,117.93		1,730.44	
	Add : Transfer from Surplus	368.30	3,382.99	467.55	3,014.69	429.21	2,547.14	387.49	2,117.93
(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**		599.85		599.85		599.85		599.85
(iii)	**Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98**								
	Opening balance	14,310.69		12,506.91		10,540.21		8,624.46	
	Less: Transfer to General Reserve	0.00		0.00		(66.22)		(6.82)	
	Add : Transfer from Surplus	1,585.24	15,895.93	1,803.78	14,310.69	2,032.92	12,506.91	1,922.57	10,540.21
(iv)	**General Reserve**								
	Opening balance	5,438.68		5,364.33		4,197.11		3,594.29	
	Add : Transfer from Surplus	1,000.00		0.00		1,101.00		596.00	
	Add : Transferred from Special Reserve	0.00		0.00		66.22		6.82	
	Add : Gain - Change in fair value of derivatives	0.00	6,438.68	74.35	5,438.68	-	5,364.33	-	4,197.11
(v)	**Foreign Currency Monetary Item Translation Difference A/c**								
	Opening balance	(647.56)		(739.74)		(380.56)		(709.21)	
	Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)	(359.18)	(739.74)	328.65	(380.56)
(vi)	**Interest Differential Reserve - KFW Loan**								
	Opening balance	0.00		0.00		-		-	
	Add : Transfer from Surplus (net)*	57.90	57.90	0.00	0.00	-	-	-	-
(D)	**Surplus**								
	Opening balance	6,903.07		8,898.37		8,871.98		7,572.29	
	Add : Profit after tax for the year	5,855.22		2,126.39		6,113.48		5,959.33	
	Less : Transfer to / from Reserves								
	Transfer to Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	368.30		467.55		429.21		387.49	
	Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,585.24		1,803.78		2,032.92		1,922.57	
	Transfer to Debenture Redemption Reserve	292.65		298.02		316.27		310.20	
	Transfer to General Reserve	1000.00		0.00		1,101.00		596.00	
	Transfer to Interest Differential Reserve - KFW Loan (net)*	57.90		0.00		-		-	
	Less : Dividend & Corporate Dividend Tax								
	Interim / Final Dividend	2,059.26		1,320.04		1,834.86		1,201.24	
	Corporate Dividend Tax on Interim / Final Dividend	404.41		268.73		372.86		240.22	
	Adjustments during the Year								
	Add: Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40		-			
	Add: Adjustment made during the year	0.00	6,990.53	0.03	6,903.07	0.03	8,898.37	(1.92)	8,871.98
	Total (A) + (B) + (C) +(D)		**37,220.59**		**33,830.13**		**34,445.99**		**30,899.17**

* Transfer to Surplus on account of utilisation amounts to ` 1.51 crore (Previous year Nil)

NOTE - Part A - 3
BORROWINGS

(₹ in Crore)

Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
A. Long Term Borrowings												
I. Secured												
Bonds												
Infrastructure Bonds	40.94	243.38	284.32	3.70	281.06	284.76	316.91	44.64	361.55	0.00	361.55	361.55
Tax Free Bonds	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11	0.00	11,275.11	11,275.11
Other Taxable Bonds	7,010.00	540.00	7,550.00	0.00	7,550.00	7,550.00	1,600.00	7,550.00	9,150.00	1,990.00	9,150.00	11,140.00
Capital Gain Tax Exemption Bonds	0.00	292.15	292.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total (I)	**7,050.94**	**13,350.64**	**20,401.58**	**3.70**	**20,106.17**	**20,109.87**	**1,916.91**	**19,869.75**	**21,786.66**	**1,990.00**	**20,786.66**	**22,776.66**
II. Unsecured												
a) Bonds												
Other Bonds / Debentures	21,705.00	1,47,921.95	1,69,626.95	24,155.40	1,41,678.10	1,65,833.50	15,868.00	1,29,682.64	1,45,550.64	10,235.10	1,22,581.32	1,32,816.42
Subordinated Bonds	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes	0.00	2,607.00	2,607.00	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86	0.00	1,135.08	1,135.08
	21,705.00	**1,54,328.95**	**1,76,033.95**	**25,322.70**	**1,45,478.10**	**1,70,800.80**	**15,868.00**	**1,34,684.50**	**1,50,552.50**	**10,235.10**	**1,27,516.40**	**1,37,751.50**
b) Foreign Currency Loans												
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India)	21.19	180.29	201.48	19.49	184.74	204.23	20.68	217.19	237.87	22.07	219.28	241.35
Syndicated Foreign Currency Loans from Banks & Financial Institutions	0.00	12,462.05	12,462.05	0.00	7,072.35	7,072.35	2,057.58	7,278.26	9,335.84	2,029.11	6,325.12	8,354.23
Foreign Currency Loans (FCNR(B) from banks)	2,337.80	651.75	2,989.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2,358.99	**13,294.09**	**15,653.08**	**19.49**	**7,257.09**	**7,276.58**	**2,078.26**	**7,495.45**	**9,573.71**	**2,051.18**	**6,544.40**	**8,595.58**
c) Rupee Term Loans												
Rupee Term Loans (From Banks / Financial Institutions)	0.00	10,525.00	10,525.00	0.00	2,000.00	2,000.00	500.00	10,500.00	11,000.00	4,459.00	10,126.00	14,585.00
	0.00	**10,525.00**	**10,525.00**	**0.00**	**2,000.00**	**2,000.00**	**500.00**	**10,500.00**	**11,000.00**	**4,459.00**	**10,126.00**	**14,585.00**
Sub Total (II)	**24,063.99**	**1,78,148.04**	**2,02,212.03**	**25,342.19**	**1,54,735.19**	**1,80,077.38**	**18,446.26**	**1,52,679.95**	**1,71,126.21**	**16,745.28**	**1,44,186.80**	**1,60,932.08**
B. Short Term Borrowings												
I. Secured												
Loan against FD (From Banks)	0.00	0.00	0.00	2,400.79	0.00	2,400.79	0.00	0.00	0.00	1,928.17	0.00	1,928.17
Sub Total (I)	**0.00**	**0.00**	**0.00**	**2,400.79**	**0.00**	**2,400.79**	**0.00**	**0.00**	**0.00**	**1,928.17**	**0.00**	**1,928.17**
II. Unsecured												
Commercial Paper	6,924.74	0.00	6,924.74	0.00	0.00	0.00	5,286.37	0.00	5,286.37	2,136.24	0.00	2,136.24
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	0.00	0.00	0.00	0.00	0.00	0.00	2,285.20	0.00	2,285.20	0.00	0.00	0.00

			Sub Total (II)	**6,924.74**	**0.00**	**6,924.74**	**0.00**	**0.00**	**0.00**	**7,571.57**	**0.00**	**7,571.57**	**2,136.24**	**0.00**	**2,136.24**
			Total (A) + (B)	**38,039.67**	**1,91,498.68**	**2,29,538.35**	**27,746.68**	**1,74,841.36**	**2,02,588.04**	**27,934.74**	**1,72,549.70**	**2,00,484.44**	**22,799.69**	**1,64,973.46**	**1,87,773.15**

NOTE - Part A - 4

OTHER LONG TERM & SHORT TERM LIABILITIES

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
i	Interest Subsidy Fund from GOI	1.95	114.05	**116.00**	3.59	106.10	**109.69**	6.88	100.59	**107.47**	12.63	98.72	**111.35**
ii	Interest Differential Fund - KFW[$]	0.00	0.00	**0.00**	0.00	63.88	**63.88**	0.00	60.71	**60.71**	0.00	58.38	**58.38**
iii	Advance received / amount payable to Subsidiaries (including interest payable thereon)	196.63	268.88	**465.51**	193.38	249.04	**442.42**	185.05	198.78	**383.83**	168.10	172.08	**340.18**
	Amount payable to GoI under R-APDRP	0.00	0.00	**0.00**	0.00	0.00	**0.00**	13.00	0.00	**13.00**	0.00	0.00	**0.00**
	Amount payable to GoI under IPDS	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**	50.01	0.00	**50.01**
iv	**Other Bonds (Amount payable-Bonds fully serviced by GoI)***												
	a) Principal	0.00	5,000.00	**5,000.00**	0.00	5,000.00	**5,000.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	b) Interest accrued but not due	38.21	0.00	**38.21**	38.21	0.00	**38.21**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Sub Total (I)	**236.79**	**5,382.93**	**5,619.72**	**235.18**	**5,419.02**	**5,654.20**	**204.93**	**360.08**	**565.01**	**230.74**	**329.18**	**559.92**
v	**Interest Accrued but not due :**												
	On Bonds	7,320.79	141.87	**7,462.66**	7,226.02	288.23	**7,514.25**	6,841.49	188.50	**7,029.99**	6,241.57	0.00	**6,241.57**
	On Loans	66.35	0.00	**66.35**	27.14	0.00	**27.14**	58.36	0.00	**58.36**	114.24	0.00	**114.24**
	Sub Total (II)	**7,387.14**	**141.87**	**7,529.01**	**7,253.16**	**288.23**	**7,541.39**	**6,899.85**	**188.50**	**7,088.35**	**6,355.81**	**0.00**	**6,355.81**
vi	**Unpaid / Unclaimed**												
	Bonds	3.93	0.00	**3.93**	0.52	0.00	**0.52**	3.84	0.00	**3.84**	3.97	0.00	**3.97**
	Interest on Bonds	14.10	0.00	**14.10**	14.17	0.00	**14.17**	8.33	0.00	**8.33**	2.42	0.00	**2.42**
	Dividend	2.63	0.00	**2.63**	1.43	0.00	**1.43**	1.72	0.00	**1.72**	1.32	0.00	**1.32**
	Sub Total (III)	**20.66**	**0.00**	**20.66**	**16.12**	**0.00**	**16.12**	**13.89**	**0.00**	**13.89**	**7.71**	**0.00**	**7.71**
vii	Others	234.59	393.02	**627.61**	915.71	435.33	**1,351.04**	383.75	0.17	**383.92**	65.75	4.63	**70.38**
	Sub Total (IV)	**234.59**	**393.02**	**627.61**	**915.71**	**435.33**	**1,351.04**	**383.75**	**0.17**	**383.92**	**65.75**	**4.63**	**70.38**
	Grand Total (I+II+III+IV)	**7,879.18**	**5,917.82**	**13,797.00**	**8,420.17**	**6,142.58**	**14,562.75**	**7,502.42**	**548.75**	**8,051.17**	**6,660.01**	**333.81**	**6,993.82**

Notes :-

[$]Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany

*Details of Other Unsecured Taxable Bonds as on 31.03.2018 are as follows :

Bond Series	Date of allotment	Coupon Rate	Date of Redemption	Amount (Rs. in crore)
1. PFC Bond Series 164-GoI Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00
2. PFC Bond Series 160-GoI Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00
3. PFC Bond Series 158-GoI Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00
4. PFC Bond Series 156-GoI Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00
Total				**5,000.00**

NOTE - Part A - 5

PROVISIONS - LONG TERM AND SHORT TERM

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
I.	**Employee Benefits**												
	Economic Rehabilitation of Employees	0.18	1.49	**1.67**	0.17	1.46	**1.63**	0.21	1.29	**1.50**	0.10	1.14	**1.24**
	Leave Encashment	1.34	19.88	**21.22**	1.78	28.90	**30.68**	2.37	24.52	**26.89**	1.51	21.91	**23.42**
	Staff Welfare Expenses	6.35	4.91	**11.26**	3.98	4.92	**8.90**	1.07	21.61	**22.68**	0.83	18.34	**19.17**
	Gratuity / Superannuation Fund	1.57	0.00	**1.57**	1.28	0.00	**1.28**	0.20	0.00	**0.20**	0.15	0.00	**0.15**
	Proposed Pay Revision	48.94	0.00	**48.94**	9.94	0.00	**9.94**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Bonus / Incentive	11.18	0.00	**11.18**	5.58	0.00	**5.58**	9.87	0.00	**9.87**	10.90	0.00	**10.90**
	Sub Total (I)	**69.56**	**26.28**	**95.84**	**22.73**	**35.28**	**58.01**	**13.72**	**47.42**	**61.14**	**13.49**	**41.39**	**54.88**
II.	**Others**												
	Income Tax (net)	0.00	0.00	**0.00**	0.00	12.05	**12.05**	0.00	49.49	**49.49**	118.74	44.18	**162.92**
	Provision for Tax for demands under contest	0.00	129.97	**129.97**	0.00	118.39	**118.39**	0.00	95.39	**95.39**	0.00	78.51	**78.51**
	CSR Expenses	0.00	0.00	**0.00**	100.20	0.00	**100.20**	102.16	0.00	**102.16**	114.30	0.00	**114.30**
	Provision against Standard Assets	411.29	926.98	**1,338.27**	99.96	457.88	**557.84**	103.44	493.97	**597.41**	44.88	441.69	**486.57**
	Provisions against Restructured Standard Assets	241.58	1,162.59	**1,404.17**	317.00	2,039.23	**2,356.23**	490.80	638.40	**1,129.20**	138.50	425.94	**564.44**
	Interim Dividend	0.00	0.00	**0.00**	1,320.04	0.00	**1,320.04**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Proposed Final Dividend	0.00	0.00	**0.00**	0.00	0.00	**0.00**	79.20	0.00	**79.20**	79.20	0.00	**79.20**
	Corporate Dividend Tax on Interim Dividend	0.00	0.00	**0.00**	67.18	0.00	**67.18**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
	Proposed Corporate Dividend Tax	0.00	0.00	**0.00**	0.00	0.00	**0.00**	16.12	0.00	**16.12**	16.12	0.00	**16.12**
	Sub Total (II)	**652.87**	**2,219.54**	**2,872.41**	**1,904.38**	**2,627.55**	**4,531.93**	**791.72**	**1,277.25**	**2,068.97**	**511.74**	**990.32**	**1,502.06**
	Grand Total (I+II)	**722.43**	**2,245.82**	**2,968.25**	**1,927.11**	**2,662.83**	**4,589.94**	**805.44**	**1,324.67**	**2,130.11**	**525.23**	**1,031.71**	**1,556.94**

NOTE - Part A - 6
FIXED ASSETS

(₹ in Crore)

	Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
I.	**Tangible Assets* :**												
	Owned Assets												
	Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
	Land (Leasehold)**	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
	Buildings	24.92	0.00	0.00	24.92	10.43	0.71	0.00	0.00	0.00	11.14	13.78	14.49
	EDP Equipment	15.16	3.92	2.01	17.07	13.01	2.71	0.06	0.00	1.86	13.92	3.15	2.15
	Office and other equipment	17.21	3.25	4.14	16.32	14.08	2.34	0.06	0.00	3.82	12.66	3.66	3.13
	Furniture & Fixtures	7.77	1.64	0.14	9.27	6.97	0.32	0.01	0.00	0.09	7.21	2.06	0.80
	Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06
	Total	**106.51**	**8.81**	**6.29**	**109.03**	**44.63**	**6.10**	**0.13**	**0.00**	**5.77**	**45.09**	**63.94**	**61.88**
	Previous year	**105.13**	**4.51**	**3.13**	**106.51**	**42.57**	**4.72**	**0.00**	**0.22**	**2.88**	**44.63**	**61.88**	
II.	**Intangible Assets* :**												
	Purchased Software	**8.95**	**0.51**	**0.00**	**9.46**	**8.26**	**0.31**	**0.00**	**0.00**	**0.00**	**8.57**	**0.89**	**0.69**
	Previous year	**8.77**	**0.18**	**0.00**	**8.95**	**7.42**	**0.84**	**0.00**	**0.00**	**0.00**	**8.26**	**0.69**	
III.	**Intangible assets under development**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Previous year	**0.16**	**0.02**	**0.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	

NOTE - Part A - 6

FIXED ASSETS

(₹ in Crore)

	Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		Opening Balance as at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2016	As at 31.03.2016	As at 31.03.2015
I.	**Tangible Assets* :**												
	Owned Assets												
	Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
	Land (Leasehold)**	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
	Buildings	24.92	0.00	0.00	24.92	8.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01
	EDP Equipment	16.03	1.87	1.96	15.94	12.42	2.78	0.00	0.00	1.86	13.34	2.60	3.61
	Office and other equipment	14.47	1.99	1.38	15.08	12.60	1.21	0.00	0.00	1.22	12.59	2.49	1.87
	Furniture & Fixtures	7.61	0.20	0.07	7.74	6.42	0.47	0.00	0.00	0.05	6.84	0.90	1.19
	Vehicles	0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13
	Total	**104.48**	**4.06**	**3.41**	**105.13**	**40.42**	**5.28**	**0.00**	**0.00**	**3.13**	**42.57**	**62.56**	**64.06**
	Previous year	**102.31**	**3.82**	**1.65**	**104.48**	**34.13**	**4.89**	**2.91**	**0.00**	**1.51**	**40.42**	**64.06**	**68.18**
II.	**Intangible Assets* :**												
	Purchased Software	8.26	0.51	0.00	8.77	6.53	0.89	0.00	0.00	0.00	7.42	1.35	1.73
	Previous year	**7.78**	**0.48**	**0.00**	**8.26**	**5.33**	**1.20**	**0.00**	**0.00**	**0.00**	**6.53**	**1.73**	**2.45**
III.	**Intangible assets under development**	**0.00**	**0.16**	**0.00**	**0.16**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.16**	**0.00**
	Previous year	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

NOTE - Part A - 7

NON- CURRENT INVESTMENTS

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Number	Amount		Number	Amount		Number	Amount		Number	Amount	
Long Term Investments													
(A)	**Trade Investments (Face value of ₹ 10 /- each fully paid up - unless otherwise stated)**												
I.	**Equity Instruments (Quoted)**												
	- Valued at Cost												
	PTC India Ltd.	1,20,00,000		12.00	1,20,00,000		12.00	1,20,00,000		12.00	1,20,00,000		12.00
II.	**Equity Instruments (Unquoted)***												
	- Valued at Cost (Less diminution, if any, other than temporary)												
	National Power Exchange Ltd.	0	0.00		0	0.00		21,87,015	2.19		21,87,015	2.19	
	Less : Provision for diminution		0.00	0.00		0.00	0.00		1.06	1.13		1.06	1.13
	Power Exchange India Ltd.	32,20,000	3.22		32,20,000	3.22		32,20,000	3.22		32,20,000	3.22	
	Less : Provision for diminution		3.22	0.00		3.22	0.00		3.22	0.00		0.00	3.22
	Energy Efficiency Services Ltd	14,65,00,000		146.50	14,65,00,000		146.50	4,75,00,000		47.50	2,25,00,000		22.50
	Subsidiaries	10,09,50,000		100.95	10,09,50,000		100.95	10,09,50,000		100.95		10,07,50,000.00	100.75
III.	**Preference Shares (Unquoted)***												
	- Valued at Cost												
	10% Fully Convertible Preference shares of Subsidiary	20,00,00,000		200.00	20,00,00,000		200.00	20,00,00,000		200.00	20,00,00,000		200.00
IV.	**Others (Unquoted)***												
	Units of "Small is Beautiful" Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200		6.15	61,52,200		6.15	61,52,200		6.15	76,82,816		7.68
V.	**Application Money pending allotment of Equity Shares**												
	Energy Efficiency Services Ltd	0		0.00	0		0.00	9,90,00,000		99.00	0		0.00
	Sub Total (I)			**465.60**			**465.60**			**466.73**			**347.28**
(B)	**Other Investment -Bonds (Quoted) (Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)**												
	8000 Bonds of Andhra Bank (Previous year :10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000		800.00	18,000		1,800.00	18,000		1,800.00	0		0.00
	Sub Total (II)			**800.00**			**1,800.00**			**1,800.00**			**0.00**
	Grand Total (I+II)			**1,265.60**			**2,265.60**			**2,266.73**			**347.28**

NOTE - Part A - 8

LOANS*

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A. Long Term Loans												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	14,332.17		1,28,297.24		**1,42,629.41**		18,719.04		91,769.20		**1,10,488.24**	
RTLs to Independent Power Producers	1,911.33		11,023.49		**12,934.82**		6,630.50		22,578.26		**29,208.76**	
Foreign Currency Loans to Independent Power Producers	0.00		0.00		**0.00**		5.03		0.00		**5.03**	
Buyer's Line of Credit	118.58		1,372.38		**1,490.96**		67.48		1,376.96		**1,444.44**	
Lease Financing to Borrowers	0.00		0.00		**0.00**		8.62		185.70		**194.32**	
RTLs to Equipment Manufacturers	66.03	16,428.11	857.77	1,41,550.88	**923.80**	**1,57,978.99**	18.95	25,449.62	870.05	1,16,780.17	**889.00**	**1,42,229.79**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	311.41		4,704.49		**5,015.90**		2,323.18		21,064.92		**23,388.10**	
Less: Provision for contingencies	32.18	279.23	500.58	4,203.91	**532.76**	**4,483.14**	328.58	1,994.60	2,134.66	18,930.26	**2,463.24**	**20,924.86**
RTL to Independent Power Producers - NPA	6,576.18		11,340.22		**17,916.40**		1,689.43		3,237.05		**4,926.48**	
Less: Provision for contingencies	1,971.10	4,605.08	1,466.88	9,873.34	**3,437.98**	**14,478.42**	527.87	1,161.56	708.42	2,528.63	**1,236.29**	**3,690.19**
Lease Financing to Borrowers - NPA	18.04		176.28		**194.32**		0.00		0.00		**0.00**	
Less: Provision for contingencies	1.80	16.24	17.63	158.65	**19.43**	**174.89**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
FCL to Independent Power Producers - NPA	201.75		0.00		**201.75**		58.70		134.48		**193.18**	
Less: Provision for contingencies	100.88	100.87	0.00	0.00	**100.88**	**100.87**	29.35	29.35	67.24	67.24	**96.59**	**96.59**
Sub Total (I)		**21,429.53**		**1,55,786.78**		**1,77,216.31**		**28,635.13**		**1,38,306.30**		**1,66,941.43**
II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	4,040.49		63,821.72		**67,862.21**		3,799.06		57,954.91		**61,753.97**	
RTLs to Independent Power Producers	539.69		14,464.39		**15,004.08**		1,127.87		3,413.96		**4,541.83**	
Buyer's Line of Credit	62.03	4,642.21	74.97	78,361.08	**137.00**	**83,003.29**	72.35	4,999.28	70.17	61,439.04	**142.52**	**66,438.32**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	0.00		0.00		**0.00**		269.33		373.83		**643.16**	
Less: Provision for contingencies	0.00	0.00	0.00	0.00	**0.00**	**0.00**	26.93	242.40	127.20	246.63	**154.13**	**489.03**
RTL to Independent Power Producers - NPA	1,518.79		1,058.62		**2,577.41**		369.85		828.95		**1,198.80**	
Less : Provision for contingencies	1,060.82	457.97	697.55	361.07	**1,758.37**	**819.04**	369.85	0.00	828.95	0.00	**1,198.80**	**0.00**
FCL to Independent Power Producers - NPA	39.23		0.00		**39.23**		0.00		61.91		**61.91**	
Less: Provision for contingencies	39.23	0.00	0.00	0.00	**39.23**	**0.00**	0.00	0.00	61.91	0.00	**61.91**	**0.00**
Sub Total (II)		**5,100.18**		**78,722.15**		**83,822.33**		**5,241.68**		**61,685.67**		**66,927.35**
Total A (I + II)		**26,529.71**		**2,34,508.93**		**2,61,038.64**		**33,876.81**		**1,99,991.97**		**2,33,868.78**

NOTE - Part A - 8

LOANS*

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
B. Bonds												
I Un-secured Bonds / Debentures												
Bonds / Debentures from State Power Corporations		0.00		311.60		**311.60**		0.00		311.60		**311.60**
Bonds / Debentures from Independent Power Producers-NPA	29.44		0.00		**29.44**		0.00		29.44		**29.44**	
Less : Provision for contingencies	2.94	26.50	0.00	0.00	**2.94**	**26.50**	0.00	0.00	0.00	29.44	**0.00**	**29.44**
Total B		**26.50**		**311.60**		**338.10**		**0.00**		**341.04**		**341.04**
C. Short Term Loans												
I Secured Loans												
a) Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		6,123.12		0.00		**6,123.12**		1,467.91		0.00		**1,467.91**
Working Capital Loans to Independent Power Producers		212.46		0.00		**212.46**		22.58		0.00		**22.58**
b) Others												
Working Capital Loans to Independent Power Producers -NPA	17.86		0.00		**17.86**		0.00		0.00		**0.00**	
Less : Provision for contingencies	1.79	16.07	0.00	0.00	**1.79**	**16.07**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Sub Total (I)		**6,351.65**		**0.00**		**6,351.65**		**1,490.49**		**0.00**		**1,490.49**
II Un-Secured Loans												
a) Considered Good												
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies	4,543.96		0.00		**4,543.96**		3,806.69		0.00		**3,806.69**	
Working Capital Loans to Independent Power Producers	38.67	4,582.63	0.00	0.00	**38.67**	**4,582.63**	516.73	4,323.42	0.00	0.00	**516.73**	**4,323.42**
b) Others												
Working Capital Loans to Independent Power Producers - NPA	364.89		0.00		**364.89**		0.00		0.00		**0.00**	
Less : Provision for contingencies	36.49	328.40	0.00	0.00	**36.49**	**328.40**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Other Loans - NPA	345.47		0.00		**345.47**		290.58		0.00		**290.58**	
Less : Provision for contingencies	172.73	172.74	0.00	0.00	**172.73**	**172.74**	145.29	145.29	0.00	0.00	**145.29**	**145.29**
Sub Total (II)		**5,083.77**		**0.00**		**5,083.77**		**4,468.71**		**0.00**		**4,468.71**
Total C (I + II)		**11,435.42**		**0.00**		**11,435.42**		**5,959.20**		**0.00**		**5,959.20**
Grand Total (A+B+C)		**37,991.63**		**2,34,820.53**		**2,72,812.16**		**39,836.01**		**2,00,333.01**		**2,40,169.02**

NOTE - Part A - 8

LOANS*

(Rs. in crore)

Description	As at 31.03.2016						As at 31.03.2015					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A. Long Term Loans												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	8,882.51		1,10,318.91		**1,19,201.42**		8,653.83		1,01,759.61		**1,10,413.44**	
RTLs to Independent Power Producers	1,873.11		18,421.67		**20,294.78**		1,285.82		24,890.44		**26,176.26**	
Foreign Currency Loans to Independent Power Producers	20.58		5.14		**25.72**		25.52		24.29		**49.81**	
Buyer's Line of Credit	318.44		764.04		**1,082.48**		89.83		574.03		**663.86**	
Lease Financing to Borrowers	7.89		196.20		**204.09**		7.73		204.54		**212.27**	
RTLs to Equipment Manufacturers	18.95	11,121.48	842.35	1,30,548.31	**861.30**	**1,41,669.79**	73.09	10,135.82	840.52	1,28,293.43	**913.61**	**1,38,429.25**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	374.35		347.61		**721.96**		267.39		454.57		**721.96**	
Less: Provision for contingencies	74.87	299.48	69.52	278.09	**144.39**	**577.57**	26.74	240.65	45.45	409.12	**72.19**	**649.77**
RTL to Independent Power Producers - NPA	947.64		4,251.81		**5,199.45**		471.52		933.37		**1,404.89**	
Less: Provision for contingencies	202.61	745.03	577.38	3,674.43	**779.99**	**4,419.46**	143.22	328.30	187.01	746.36	**330.23**	**1,074.66**
FCL to Independent Power Producers - NPA	35.90		201.79		**237.69**		7.66		229.12		**236.78**	
Less: Provision for contingencies	10.77	25.13	60.54	141.25	**71.31**	**166.38**	2.30	5.36	68.73	160.39	**71.03**	**165.75**
Sub Total (I)		**12,191.12**		**1,34,642.08**		**1,46,833.20**		**10,710.13**		**1,29,609.30**		**1,40,319.43**

NOTE - Part A - 8

LOANS*

(Rs. in crore)

Description	As at 31.03.2016						As at 31.03.2015					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	19,378.04		56,435.04		**75,813.08**		5,401.87		59,925.69		**65,327.56**	
RTLs to Independent Power Producers	1,836.77		7,705.09		**9,541.86**		158.29		6,794.73		**6,953.02**	
Foreign Currency Loans to State Power Utilities	14.16		0.00		**14.16**		13.38		13.38		**26.76**	
Buyer's Line of Credit	202.06		99.07		**301.13**		0.00		76.79		**76.79**	
RTLs to Equipment Manufacturers	0.00	21,431.03	0.00	64,239.20	**0.00**	**85,670.23**	28.42	5,601.96	223.04	67,033.63	**251.46**	**72,635.59**
b) Others												
RTL to Independent Power Producers - NPA	41.56		1,064.35		**1,105.91**		0.00		0.00		**0.00**	
Less : Provision for contingencies	41.56	0.00	329.14	735.21	**370.70**	**735.21**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
FCL to Independent Power Producers - NPA	0.00		22.04		**22.04**		0.00		0.00		**0.00**	
Less: Provision for contingencies	0.00	0.00	22.04	0.00	**22.04**	**0.00**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Sub Total (II)		**21,431.03**		**64,974.41**		**86,405.44**		**5,601.96**		**67,033.63**		**72,635.59**
Total A (I + II)		**33,622.15**		**1,99,616.49**		**2,33,238.64**		**16,312.09**		**1,96,642.93**		**2,12,955.02**
B. Bonds												
I Un-secured Bonds / Debentures												
Bonds / Debentures from State Power Corporations		0.00		390.15		**390.15**		0.00		1,170.50		**1,170.50**
Bonds / Debentures from Independent Power Producers		0.00		29.44		**29.44**		0.00		29.48		**29.48**
Total B		**0.00**		**419.59**		**419.59**		**0.00**		**1,199.98**		**1,199.98**
C. Short Term Loans												
I Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies		1,092.51		0.00		**1,092.51**		549.88		0.00		**549.88**
Sub Total (I)		**1,092.51**		**0.00**		**1,092.51**		**549.88**		**0.00**		**549.88**
II Un-Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies		2,180.07		0.00		**2,180.07**		2,132.14		0.00		**2,132.14**
Working Capital Loans to Independent Power Producers		369.00		0.00		**369.00**		205.20		0.00		**205.20**
Others	231.97		0.00		**231.97**		169.68		0.00		**169.68**	
Less : Provision for contingencies	69.59	162.38	0.00	0.00	**69.59**	**162.38**	50.90	118.78	0.00	0.00	**50.90**	**118.78**

NOTE - Part A - 8

LOANS*

(Rs. in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Current maturities (Twelve Months)	Non-Current	Total	Current maturities (Twelve Months)	Non-Current	Total
Sub Total (II)	2,711.45	0.00	2,711.45	2,456.12	0.00	2,456.12
Total C (I + II)	3,803.96	0.00	3,803.96	3,006.00	0.00	3,006.00
Grand Total (A+B+C)	37,426.11	2,00,036.08	2,37,462.19	19,318.09	1,97,842.91	2,17,161.00

NOTE - Part A - 9

OTHER ASSETS

(₹ in Crore)

		Description	As at 31.03.2018						As at 31.03.2017					
			Current		Non-Current		Total		Current		Non-Current		Total	
A		**LOANS & ADVANCES**												
	I	**Loans (considered good)**												
	a)	to Employees (Secured)	2.09		9.79		**11.88**		2.25		11.94		**14.19**	
	b)	to Employees (Unsecured)	10.19	12.28	45.53	55.32	**55.72**	**67.60**	9.76	12.01	48.22	60.16	**57.98**	**72.17**
	II	**Advances (Unsecured considered good)**												
		Advances recoverable in cash or in kind or for value to be received												
	a)	to Subsidiaries (including interest recoverable there on)	324.73		147.17		**471.90**		262.04		133.72		**395.76**	
	b)	to Employees	1.06		0.01		**1.07**		0.82		0.01		**0.83**	
	c)	Prepaid Expenses	2.04		0.00		**2.04**		1.95		0.00		**1.95**	
	d)	Others	294.03		156.77		**450.80**		1,226.78		6.31		**1,233.09**	
	e)	Advance Income Tax and Tax Deducted at Source (net)	0.00		368.94		**368.94**		0.00		162.08		**162.08**	
	f)	Tax deposited on demands under contest	73.11		138.13		**211.24**		33.16		183.79		**216.95**	
	g)	Security Deposits	0.55	695.52	0.30	811.32	**0.85**	**1,506.84**	0.42	1,525.17	0.38	486.29	**0.80**	**2,011.46**
B		**Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)**												
	a)	Principal	0.00		5,000.00		**5,000.00**		0.00		5,000.00		5,000.00	
	b)	Interest	38.21	38.21	0.00	5,000.00	**38.21**	**5,038.21**	38.21	38.21	0.00	5,000.00	38.21	**5,038.21**
C		**OTHER ASSETS**												
	I	**Accrued but not due :**												
	a)	Interest on Loan Assets	3,967.99		0.00		**3,967.99**		3,723.25		0.00		**3,723.25**	
	b)	Interest on Loans to Employee	0.76		25.07		**25.83**		0.60		22.04		**22.64**	
	c)	Interest on Deposits and Investments	9.93	3,978.68	0.00	25.07	**9.93**	**4,003.75**	30.33	3,754.18	0.00	22.04	**30.33**	**3,776.22**
	II	**Accrued and due :**												
		Incomes accrued & due on loans	82.22	82.22	0.00	0.00	**82.22**	**82.22**	167.52	167.52	0.00	0.00	**167.52**	**167.52**
D		**Loans & Advances (Unsecured - Others)**												
		Non Performing Assets (NPAs)	2.51		0.00		**2.51**		16.40		0.00		**16.40**	
		Less : Provision for contingencies	2.51	0.00	0.00	0.00	**2.51**	**0.00**	16.40	0.00	0.00	0.00	**16.40**	**0.00**
		Total		**4,806.91**		**5,891.71**		**10,698.62**		**5,497.09**		**5,568.49**		**11,065.58**

NOTE - Part A - 9

OTHER ASSETS

(₹ in Crore)

Description	As at 31.03.2016						As at 31.03.2015					
	Current		Non-Current		Total		Current		Non-Current		Total	
A LOANS & ADVANCES												
I Loans (considered good)*												
a) to Employees (Secured)	2.33		14.33		**16.66**		2.51		16.99		**19.50**	
b) to Employees (Unsecured)	8.48	10.81	46.68	61.01	**55.16**	**71.82**	5.51	8.02	38.78	55.77	**44.29**	**63.79**
II Advances (Unsecured considered good)												
Advances recoverable in cash or in kind or for value to												
a) to Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C - Other Notes on Accounts)	195.58		118.19		**313.77**		184.12		104.60		**288.72**	
b) to Employees*	0.84		0.01		**0.85**		0.71		0.02		**0.73**	
c) Prepaid Expenses	2.96		0.00		**2.96**		2.21		0.00		**2.21**	
d) Others	172.85		9.34		**182.19**		118.97		3.34		**122.31**	
e) Advance Income Tax and Tax Deducted at Source (net)	0.00		58.10		**58.10**		0.00		0.00		**0.00**	
f) Tax deposited on demands under contest	28.58		144.47		**173.05**		17.57		113.49		**131.06**	
g) Security Deposits	3.22	404.03	0.37	330.48	**3.60**	**734.52**	0.29	323.87	0.27	221.72	**0.56**	**545.59**
B Amount Recoverable on account of Bonds fully												
a) Principal	0.00		0.00		**0.00**		0.00		0.00		0.00	
b) Interest	0.00		0.00		**0.00**		0.00		0.00		0.00	
c) Expenses recoverable	0.00		0.00		**0.00**		0.00		0.00		0.00	
C OTHER ASSETS												
I Accrued but not due :												
a) Interest on Loan Assets	4,807.00		0.00		**4,807.00**		4,414.39		0.00		**4,414.39**	
b) Other charges	11.92		0.00		**11.92**		2.06		0.00		**2.06**	
b) Interest on Loans to Employee	0.50		18.87		**19.37**		0.27		15.33		**15.60**	
c) Interest on Deposits and Investments	28.92	4,848.34	0.00	18.87	**28.92**	**4,867.21**	8.62	4,425.34	0.00	15.33	**8.62**	**4,440.67**
II Accrued and due :												
Incomes accrued & due on loans	777.93	777.93	0.00	0.00	**777.93**	**777.93**	533.35	533.35	0.00	0.00	**533.35**	**533.35**
D Loans & Advances (Unsecured - Others)												
Non Performing Assets (NPAs)	1.17		0.00		**1.17**		1.03		0.00		**1.03**	
Less : Provision for contingencies	1.01	0.16	0.00	0.00	**1.01**	**0.16**	0.97	0.06	0.00	0.00	**0.97**	**0.06**
Total		**6,041.27**		**410.36**		**6,451.64**		**5,290.64**		**292.82**		**5,583.46**

NOTE - Part A -10
CURRENT INVESTMENTS

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			As at 31.03.2015		
		Number	Amount		Number	Amount		Number	Amount		Number	Amount	
I.	**Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up)**												
	- Valued for category at lower of cost or market value												
	PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02		4,39,349	2.28		4,89,349	2.54		5,39,349	2.80	
	REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50		95,904	0.50		47,952	0.50		47,952	0.50	
	Coal India Ltd. (Cost Price ₹ 358.58 per Share)	1,39,64,530	500.74		1,39,64,530	500.74		1,39,64,530	500.74		1,39,64,530	500.74	
	NHPC Limited (Cost Price ₹ 21.78 per Share)	26,05,42,051	567.50		26,05,42,051	567.50			0.00			0.00	
	Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76		0.00	1,071.02		93.04	410.74		0.00	504.04
II.	**Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹ 10/- each fully paid up)**												
	- Valued in accordance with Para - 5.2 of Note Part - B - Significant Accounting Policies												
	Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10		13,18,46,779	66.10			0.00			0.00	
	Less : Provision for diminution on Equity Instruments (Un-quoted)		66.10	0.00		66.10	0.00		0.00	0.00		0.00	0.00
	GMR Chhattisgarh Energy Ltd.	27,50,00,000	275.00		27,50,00,000	275.00			0.00			0.00	
	Less : Provision for diminution on Equity Instruments (Un-quoted)		275.00	0.00		20.49	254.51		0.00	0.00		0.00	0.00
	Total			**1,070.76**			**1,325.53**			**410.74**			**504.04**

NOTE - Part A -11

CASH AND BANK BALANCES

(₹ in Crore)

		Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
I	**Cash and Cash Equivalents:**									
	i)	Balances in current accounts with:								
		Reserve Bank of India	0.02		0.02		0.05		0.05	
		Scheduled Banks	4.74	4.76	42.84	42.86	28.01	28.06	127.16	127.21
	ii)	Cheques in hand		0.00		0.00		0.00		0.01
	iii)	Imprest with postal authority		0.00		0.00		0.00		0.00
	iv)	Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		532.95		3,071.88		0.00		4,892.22
		Sub Total (I)		**537.71**		**3,114.74**		**28.06**		**5,019.44**
II	**Earmarked Balances:**									
	i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		11.04		458.41		6.41		1.36
	ii)	IPDS / R-APDRP								
		Balances in current account with scheduled banks		4.45		0.00		13.01		5.00
		Fixed Deposits with Banks		0.00		0.00		0.00		45.00
	iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00		0.00		30.97		0.00
		Sub Total (II)		**15.49**		**458.41**		**50.39**		**51.36**
		Grand Total (I+II)		**553.20**		**3,573.15**		**78.45**		**5,070.80**

NOTE - Part A - 12

REVENUE FROM OPERATIONS

(₹ in Crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
I.	**Interest**								
	Interest on Loans	26,203.32		26,587.14		27,359.13		24,824.23	
	Less : Rebate for Timely Payment to Borrowers	381.37		316.65		297.42		261.06	
	Less : Post COD Timely Payment Rebate	7.81	25,814.14	22.39	26,248.10	2.56	27,059.15	0.00	24,563.17
	Lease income		6.72		21.98		20.29		22.93
	Sub Total (I)		**25,820.86**		**26,270.08**		**27,079.44**		**24,586.10**
II.	**Other Operating income**								
	Income from surplus funds		56.70		112.37		91.26		112.94
	Interest received on advances given to subsidiaries		17.87		12.10		11.73		8.84
	Profit on sale of Bonds of Borrowers		0.00		0.00		9.05		0.00
	Interest on bonds		196.80		196.64		28.90		0.00
	Sub Total (II)		**271.37**		**321.11**		**140.94**		**121.78**
III.	**Other Financial Services**								
	Prepayment Premium on Loans		179.10		201.77		170.46		64.18
	Upfront fee on Loans		46.03		37.87		18.72		14.66
	Management, Agency & Guarantee Fee		64.47		48.13		46.42		93.78
	Commitment charges on Loans		2.25		5.17		5.06		1.83
	Fee on account of GoI Schemes:								
	Nodal Agency Fee - R-APDRP	0.65		2.24		0.66		-36.38	
	Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40	34.51	35.17	5.82	-30.56
	Sub Total (III)		**322.24**		**316.34**		**275.83**		**143.89**
	Grand Total (I+II+III)		**26,414.47**		**26,907.53**		**27,496.21**		**24,851.77**

NOTE - Part A - 13
OTHER INCOME

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Dividend Income	146.23	99.11	48.10	42.06
Profit on sale of Fixed Assets	0.00	0.03	0.03	0.05
Profit on sale of Non-Current Investments	0.00	0.00	0.05	0.00
Profit on sale of Current Investments	0.78	0.50	0.44	1.31
Interest on Income Tax Refund	4.78	3.88	9.10	1.48
Miscellaneous Income	6.56	7.40	10.08	8.73
Excess Liabilities & Provisions written back	164.92	0.12	0.30	2.45
Total	**323.27**	**111.04**	**68.10**	**56.08**

NOTE - Part A - 14
FINANCE COSTS

(₹ in Crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
I.	**Interest**								
	On Bonds	16,040.21		15,592.33		15,071.06		12,353.14	
	On Loans	318.64		322.15		644.34		2,080.75	
	GOI on Interest Subsidy Fund	9.32		9.06		8.86		9.42	
	Financial Charges on Commercial Paper	482.71		389.72		277.43		288.46	
	Swap Premium (Net)	(34.95)	16,815.93	(23.42)	16,289.84	1.65	16,003.34	60.53	14,792.30
II.	**Other Charges**								
	Commitment & Agency Fee	0.39		0.65		0.67		0.59	
	Guarantee, Listing & Trusteeship Fee	2.17		2.17		2.13		2.35	
	Management Fee on Foreign Currency Loans	4.29		0.01		37.82		124.15	
	Bank / Other Charges	0.00		0.00		0.00		0.02	
	Interest paid on advances received from subsidiaries	5.93	12.78	6.35	9.18	5.11	45.73	5.64	132.75
III.	Net Translation / Transaction Exchange Loss (+) / Gain (-)		243.69		311.82		424.74		514.18
IV.	Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)		132.45		(178.15)		0.00		0.00
	Total		**17,204.85**		**16,432.69**		**16,473.81**		**15,439.23**

NOTE - Part A - 15
BORROWING EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Application Money	0.03	0.00	11.51	0.18
Credit Rating Fee	4.96	4.65	4.20	3.73
Other Issue Expenses	15.47	14.04	11.23	21.28
Stamp Duty Fee	7.70	7.89	6.50	6.21
Total	**28.16**	**26.58**	**33.44**	**31.40**

NOTE - Part A - 16

EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Salaries, Wages and Bonus	130.59	83.41	65.30	63.86
Contribution to Provident and other funds	16.90	13.94	11.81	9.92
Staff Welfare	13.84	12.01	8.61	7.60
Rent for Residential accommodation of employees	5.45	5.61	4.65	4.43
Total	**166.78**	**114.97**	**90.37**	**85.81**

NOTE - Part A - 17

OTHER EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Office Rent	0.50	0.50	0.50	0.50
Electricity & Water charges	1.68	1.50	1.56	1.50
Insurance	0.18	0.16	0.12	0.04
Repairs & Maintenance	4.50	3.30	2.85	2.71
Stationery & Printing	2.11	1.88	1.64	1.66
Travelling & Conveyance	16.27	10.04	8.15	7.03
Postage, Telegraph & Telephone	2.49	2.25	1.87	2.00
Professional & Consultancy charges	1.92	2.02	3.51	1.08
Miscellaneous Expenses	31.37	39.97	18.83	20.06
Loss on sale of Fixed Assets	0.42	0.19	0.17	0.01
Loss on Disposal of Investment	0.00	0.98	0.00	0.00
Auditors' Remuneration	0.84	0.60	0.77	0.41
Service Tax	1.44	2.58	9.26	6.42
Rates & Taxes	1.55	1.41	0.88	0.94
Goods & Services Tax	5.45	0.00	0.00	0.00
Contribution to PMC (MoP)	0.28	0.41	0.51	0.34
Others - RAPDRP Expenses	0.00	0.00	0.00	-36.91
Total	**71.00**	**67.79**	**50.62**	**7.79**

Note - Part A -18

PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		Year ended 31.03.2015	
Prior Period Expenses :								
Interest & other Charges	0.00		0.24		-		(6.06)	
Personnel & Administration Expenses - Others	0.06		0.77		0.10		(0.02)	
Depreciation	0.00	0.06	0.22	1.23	-	0.10	3.92	(2.16)
Less: Prior Period Income :								
Interest Income	0.00		(0.20)		-		-	
Other Income	(0.01)	(0.01)	(0.04)	(0.24)	2.23	2.23	-	-
Total		**0.07**		**1.47**		**(2.13)**		**(2.16)**

FY 2014-15

Part - B

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2. RECOGNITION OF INCOME / EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

3. FIXED ASSETS / DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as per Companies Act, 2013.

3.4 Items of fixed assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company.

5. INVESTMENTS

5.1 Current investments are valued individually at lower of cost or fair value.

5.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6. PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 PFC being a Government owned Non-Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

6.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any, when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008.

ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department, for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the Company shall follow the Government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

iv) Non servicing of part of dues due to dispute by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges, penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits, hire purchase and lease assets are given as under:

(i) NPA for a period not exceeding 18 months : Sub-standard asset

(ii) NPA for a period exceeding 18 months : Doubtful asset

(iii) When an asset is identified as loss asset or assets remain doubtful asset for a period exceeding 36 months, whichever is earlier : Loss asset

For the purpose of assets classification and provisioning :

a) Facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exceptions:

   i) Government sector loans, where cash flow from each project are separately identifiable and applied to the same project, PFC shall classify such loans on project wise basis.

b) The amount of security deposits kept by the borrower with the PFC in pursuance to the lease agreement together with the value of any other security available in pursuance to the lease agreement may be deducted against the provisions stipulated above.

c) NPA subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of installments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

d) Interest restructuring which is normally done by PFC to help the borrowers to convert the past high cost debts into lower interest bearing debts will not be considered as re-schedulement / debt restructuring.

Facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

6.4 Provision against NPAs (Assets other than Hire Purchase and Leased assets) is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets :

   (a) Secured portion / facility including that guaranteed by the State / Central Government or by the State Government undertaking for deduction from central plan allocation or loan to state department.

   Upto 1 year : 20%

   1 - 3 years : 30%

   (b) Unsecured* : 100%

   * A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to state department would be treated as secured for the purpose of making provision.

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

6.5 The provisioning requirements in respect of hire purchase and leased assets shall be as per Para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 1st July, 2013 and subsequent amendments issued from time to time.

The para 9(2) as mentioned above is reproduced hereunder-

Lease and hire purchase assets

(2) The provisioning requirements in respect of hire purchase and leased assets shall be as under:

Hire purchase assets

(i) In respect of hire purchase assets, the total dues (overdue and future installments taken together) as reduced by

(a) the finance charges not credited to the statement of profit and loss and carried forward as unmatured finance charges; and

(b) the depreciated value of the underlying asset, shall be provided for.

Explanation: For the purpose of this paragraph, the depreciated value of the asset shall be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of twenty percent per annum on a straight line method; and in the case of second hand asset, the original cost shall be the actual cost incurred for acquisition of such second hand asset.

Additional provision for hire purchase and leased assets

(ii) In respect of hire purchase and leased assets, additional provision shall be made as under:

(a) Where hire charges or lease rentals are overdue upto 12 months	Nil
(b) where hire charges or lease rentals are overdue for more than 12 months but upto 24 months	10 percent of the net book value
(c) where hire charges or lease rentals are overdue for more than 24 months but upto 36 months	40 percent of the net book value
(d) where hire charges or lease rentals are overdue for more than 36 months but upto 48 months	70 percent of the net book value
(e) where hire charges or lease rentals are overdue for more than 48 months	100 percent of the net book value

(iv) On expiry of a period of 12 months after the due date of the last installment of hire purchase/leased asset, the entire net book value shall be fully provided for.

6.6 Standard Assets (including for Hire Purchase & Leased assets)

[as per Para 9(A) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and subsequent amendments issued from time to time.]

Provision for standard assets* at 0.25 percent of the outstanding shall be made, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

*For the purpose of provisioning on Standard Assets, Standard Assets shall mean Loans and advances classified as Standard Assets.

6.7 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the Company under the following stages:

a) Before commencement of commercial production

b) After commencement of commercial production but before the asset has been classified as sub-standard;

c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule* before COD** of the project in respect of Government Sector Entities, without any sacrifice*** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* including change in terms w.r.t payment of principal consequent to cost overrun funding.

** Completion Date for projects where COD is not applicable.

*** The term "sacrifice" shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and / or rescheduling and / or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 percent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated Sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 percent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure Loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

Note

a) Satisfactory Performance means where no payment should remain overdue for a period of more than number of days after which it would be classified as NPA. In addition there should not be any overdue at the end of one year period. Further, the satisfactory performance is to be seen in respect of all the outstanding loan/facilities in the account.

b) Asset classification of sub-standard asset will not deteriorate upon rescheduling and/or renegotiation and/or restructuring whether in respect of instalments of principal amount or interest amount by whatever modality, if satisfactory performance is demonstrated during the period of one year under the restructuring and/or rescheduling and/or renegotiation terms.

c) In case, however, satisfactory performance after a period of one year is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule*.

*pre-restructuring payment schedule shall mean the date on which the loan asset became NPA on the first occasion.

(viii) Reversal of Provision:

The provisions* held by the non-banking financial companies against non-performing infrastructure loan, which may be classified as 'standard' in terms of paragraph 6.7(iii) above, shall continue to be held until full recovery of the loan is made.

* The provision which is made in a restructured / rescheduled / renegotiated account towards interest sacrifice.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, restructuring / re-schedulement / renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) A facility which is backed by Central / State Government Guarantee or by State Government Undertaking for deduction from central plan allocation or a loan to state department.

b) Loans falling under paragraph 6.2(i).

(xii) Accounting Policy stated at 6.7 (i) to 6.7(xi) to be read with the following paragraphs:

a) PFC's restructuring norms approved by MoP will be applicable till 31.03.2017 for Transmission & Distribution, Renovation & Modernization and Life Extension Projects and also the Hydro Projects in Himalayan Region or affected by natural disasters.

b) All new project loans (except covered under 6.7 (xii)(a) above) sanctioned with effect from 01.04.2015 to generating companies, to be regulated by the RBI norms for restructuring and provisioning.

c) Loans (except covered under 6.7 (xii)(a) above) already sanctioned upto 31.03.2015 will, continue to be subjected to PFC's restructuring norms approved by the Ministry of Power, however provisioning on loan assets of generating companies will be as per RBI norms.

7. FOREIGN EXCHANGE TRANSACTIONS

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard - 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard - 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard - 11.

7.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account - KFW as per loan agreement.

7.5 In accordance with the paragraph 46A of the Accounting Standard (AS)-11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

8. DERIVATIVE TRANSACTIONS

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

9. Accounting of Government of India (GoI) schemes:

9.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

9.2 Where funds are first disbursed to the beneficiary, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.3 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

9.4 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

10. INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on Net Present Value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted / charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

11. INCOME / RECEIPT / EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "amount recoverable from concerned subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

11.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (Category- A) as per the policy of the Company.

11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

12. EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard - 15 (Revised).

12.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard - 15 (Revised)

13. INCOME TAX

13.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard - 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard - 3 on Cash Flow Statement.

15. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2015-16
Part – B

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted when the right to receive has been established i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

3. TANGIBLE ASSETS/DEPRECIATION

3.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.

3.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

5. INVESTMENTS

5.1 Current investments are valued individually at lower of cost or fair value.

5.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6. Asset Classification and Provisions

6.1 Asset Classification

Loans & other credits and lease assets are classified into the following classes, namely:

6.1.1 Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

6.1.2 (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

As at	**NPA (loan assets excluding lease assets)**	**NPA Sub-Categorization (all loan assets including lease assets)**		
		Sub-Standard	**Doubtful**	**Loss**
31st March 2016	Overdue for 5 months or more	NPA for a period not exceeding 16 months	NPA for a period exceeding 16 months	Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier
31st March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	As per RBI norms.
31st March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

6.2 Provisioning against Standard Loans and NPAs

6.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

S. No.	**Description**	**Rate of Provision as at 31.03.2016**

1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 6.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 100%
4.	Loss Asset if not written off	100%

6.2.2 As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

6.2.3 A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.

6.2.4 Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

6.3 Provisioning against Restructured Loans

6.3.1 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

6.3.2 For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

6.4 For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.

7. FOREIGN CURRENCY TRANSACTIONS

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i)Expenses and income in foreign currency; and

(ii)Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

7.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

8. DERIVATIVE TRANSACTIONS

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

9.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

9.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

9.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

10. INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

11.3 Interest on amount recoverable from subsidiaries **(**promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

12. EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

12.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

13. INCOME TAX

13.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

15. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2016-17

Note - Part – B (SIGNIFICANT ACCOUNTING POLICIES)

1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

(b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.1.3 In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

3. TANGIBLE ASSETS/DEPRECIATION

3.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.

3.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

5. INVESTMENTS

5.1 In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.

5.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6. ASSET CLASSIFICATION AND PROVISIONS

6.1 BASIS OF ASSET CLASSIFICATION

Loans & other credits and lease assets are classified into the following classes, namely:

6.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

6.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	**NPA (loan assets excluding lease assets)**	**NPA Sub-Categorization (all loan assets including lease assets)**		
		Sub-Standard	**Doubtful**	**Loss**
31st March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely
31st March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

				affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(ii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances.

(iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

6.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 6.3)	0.35%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
4.	Loss Asset if not written off	100%

6.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

6.2.3 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

6.3 PROVISIONING AGAINST RESTRUCTURED LOANS

6.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

a) new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
b) all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

6.3.2 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

6.4 For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

7. FOREIGN CURRENCY TRANSACTIONS

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

7.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

8. DERIVATIVE TRANSACTIONS

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

9.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

9.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

9.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

10. INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

11.3 Interest on amount recoverable from subsidiaries **(**promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

12. EMPLOYEE BENEFITS

12.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

12.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

13. INCOME TAX

13.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

15. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2017-18

Note - Part – B (SIGNIFICANT ACCOUNTING POLICIES)

1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

(b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 As per applicable RBI directions, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.1.3 As per applicable RBI directions, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.

2.4 Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.

2.5 Expenditure on issue of shares is charged to the securities premium account.

2.6 As per applicable RBI directions, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

2.7 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.8 Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

3. TANGIBLE ASSETS/DEPRECIATION

3.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.

3.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

5. INVESTMENTS

5.1 As per applicable RBI directions, quoted current investments are valued category-wise, at lower of cost or market value.

5.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6. ASSET CLASSIFICATION AND PROVISIONS

6.1 BASIS OF ASSET CLASSIFICATION

Loans & other credit facilities and lease assets are classified into the following classes, namely:

6.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

6.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31st March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not
31st March 2018 and	Overdue for 3 months or	NPA for a period not exceeding 12	NPA for a period exceeding 12	

thereafter	more	months	months	written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(ii) For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset is classified as NPA if it remains overdue for a period of 3 months or more.

6.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit facilities as under:

S. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%
4.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
5.	Loss Asset if not written off	100%

6.2.2 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

6.2.3 Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

7. FOREIGN CURRENCY TRANSACTIONS

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

8. DERIVATIVE TRANSACTIONS

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

9.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

9.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

9.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

10. INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

11.3 Interest on amount recoverable from subsidiaries **(**promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

12. EMPLOYEE BENEFITS

12.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

12.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

13. INCOME TAX

13.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2 Since 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, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

15. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. 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.

FY 2014-15

PART - C
OTHER NOTES ON ACCOUNTS

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Non-Banking Finance Company registered with RBI as an Infrastructure Finance Company.

2. Contingent liabilities:

(A) The details are as follows:

(₹ in crore)

S. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	Default guarantees issued in foreign currency - US $ 0.74 million (as on 31.03.2014 US $ 4.14 million)	**4.69**	25.07
(ii)	Guarantees issued in domestic currency	**262.84**	299.20
(iii)	Claims against the Company not acknowledged as debts	**0.04**	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	**787.32**	2,274.96
	Total	**1,054.89**	**2,599.27**

(B) Additional demands raised by the Income Tax Department totaling to ₹ 64.41 crore (as on 31.03.2014 ₹ 49.87 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 85.47 crore (as on 31.03.2014 ₹ 79.26 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) aggregating to ₹ 78.50 crore for Assessment Years 2001-02 to 2012-13 (as on 31.03.2014 ₹ 55.10 crore for Assessment Years 2001-02 to 2011-12) have been provided for and are being contested by the Company.

4. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 0.33 crore (as on 31.03.2014 Nil).

5. Ministry of Corporate Affairs (MoCA), Government of India, vide its Circular No. 6/3/2001 - CL.V dated 18.04.2002 prescribed adequacy of Debenture Redemption Reserve (DRR) as 50% of the value of debentures issued through public issue; subsequently, the MoCA through its Circular No. 11/02/2012-CL-V(A) dated 11.02.2013 modified the adequacy of DRR to 25%. In this regard, the Company has requested the MoCA for clarification, which is awaited.

   Meanwhile, The Companies (Share Capital and Debentures) Rules, 2014, with effect from 01.04.2014, also stated that for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no DRR is required in the case of privately placed debentures.

   In view of above, the Company is creating DRR for public issue of bonds / debentures @ 50% for the issues for which prospectuses had been filed before 11.02.2013 and @ 25% for the subsequent public issues.

6. Foreign currency actual outgo and earning:

(₹ in crore)

S. No.	Description	During FY ended 31.03.2015	During FY ended 31.03.2014
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions*	**206.75**	230.47
ii)	Financial & Other charges*	**118.86**	9.56
iii)	Traveling Expenses	**0.38**	Nil
iv)	Training Expenses	**0.18**	0.25
B.	**Earning in foreign currency**	**Nil**	Nil

*excluding withholding tax

7. (A) As per the Accounting Standard - 'Related Party Disclosures' (AS-18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(i) Subsidiaries including companies promoted as Special Purpose Vehicles (SPVs) for Ultra-Mega Power Projects (UMPPs) and Joint Ventures (JVs)

S. No.	Name of the companies	S. No.	Name of the companies
A	**Subsidiary Companies***	**C**	**Subsidiary Companies promoted as SPVs for UMPPs***
(i)	PFC Consulting Limited	(i)	Coastal Maharashtra Mega Power Limited
(ii)	PFC Green Energy Limited	(ii)	Orissa Integrated Power Limited
(iii)	PFC Capital Advisory Services Ltd.	(iii)	Coastal Karnataka Power Limited
(iv)	Power Equity Capital Advisors (Private) Limited	(iv)	Coastal Tamil Nadu Power Limited
		(v)	Chhattisgarh Surguja Power Limited
B	**Joint Venture***	(vi)	Sakhigopal Integrated Power Company Limited
(i)	National Power Exchange Limited	(vii)	Ghogarpalli Integrated Power Company Limited
(ii)	Energy Efficiency Services Limited	(viii)	Tatiya Andhra Mega Power Limited
		(ix)	Deoghar Mega Power Limited
		(x)	Cheyyur Infra Limited
		(xi)	Odisha Infrapower Limited

*Govt. controlled entities as per AS-18.

(ii) Key Managerial Personnel (KMP) :

Name	Period
Shri M K Goel, CMD, CEO and holding additional charge of Director (Commercial)	with effect from 22.01.2015 (A/N)
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri A K Agarwal, Director (Project)	with effect from 13.07.2012
Shri Manohar Balwani, CS	with effect from 01.04.2014#

Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with related parties

Managerial remuneration of KMP for the year ended 31.03.2015 is ₹ 2.50 crore (previous year ended 31.03.2014 ₹ 2.30 crore).

8. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as SPVs for UMPPs are given below:-

S. No.	Name of the companies	Date of investment	No. of shares subscribed	% of ownership	Amount (₹ in crore)
A	**Subsidiary Companies (i)**				
(i)	PFC Consulting Limited	09.04.2008	50,000	100%	0.05
(ii)	(a) PFC Green Energy Limited (Equity Shares)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00
	(b) PFC Green Energy Limited (Preference Shares)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00
(iii)	PFC Capital Advisory Services Ltd	01.09.2011	1,00,000	100%	0.10
(iv)	Power Equity Capital Advisors (Private) Limited	15.04.2008 11.10.2011	15,000 35,000	100%	0.05
	Sub-Total (A)				**300.20**

(B)	Subsidiary Companies promoted as SPVs for UMPPs (ii)				
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
(viii)	Tatiya Andhra Mega Power Limited(iii)	27.01.2010	50,000	100%	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05
(x)	Cheyyur Infra Limited	24.03.2014	50,000	100%	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05
	Sub-Total (B)				**0.55**
(C)	**Joint venture Companies (i)**				
(i)	National Power Exchange Limited (iv)	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19
(ii)	Energy Efficiency Services Limited	21.01.2010 26.03.2013	6,25,000 2,18,75,000	25%	22.50
	Sub-Total (C)				**24.69**
	TOTAL (A) + (B) + (C)				**325.44**

(i) The financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) The subsidiary companies were incorporated as SPVs under the mandate from the Government of India for development of Ultra-Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process. The financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

(iii) Board of Directors of the Company, in its 322nd meeting held on 14th August, 2014, decided for winding up Tatiya Andhra Mega Power Limited, subject to approval of Ministry of Power, Government of India.

(iv) The Group of Promoters (GoP) of National Power Exchange Limited (NPEL), comprising of NTPC, NHPC, TCS and PFC in their meeting dated 21.03.2014 decided to recommend voluntary winding up of NPEL to the Board of NPEL. The Board of Directors of PFC in their meeting held on 14th August, 2014 had approved the recommendation of the GoP. The voluntary winding up of NPEL is under process.

The Company as on 31.03.2015 has an investment of ₹ 2.19 crore (as on 31.03.2014 ₹ 2.19 crore) in the equity share capital of NPEL against which a provision for diminution in value amounting to ₹1.06 crore (previous year Nil) has been made during the current year.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as on 31.03.2015 and income and expenses for the period in respect of joint venture entities based on their unaudited financial statements are given below:

(₹ in crore)

S.No.	Particulars	As on 31.03.2015			As on 31.03.2014		
		NPEL	**EESL**	**Total**	NPEL	EESL	**Total**
	Ownership (%)	**16.66**	**25**		**16.66**	**25**	
A	Assets						
	Non Current assets	0.02	37.83	**37.85**	0.03	1.99	**2.02**
	Current assets	1.13	41.11	**42.24**	1.13	29.61	**30.74**
	Total	**1.15**	**78.94**	**80.09**	**1.16**	**31.60**	**32.76**
B	Liabilities						
	Non Current Liabilities	-	22.08	**22.08**	-	0.08	**0.08**
	Current Liabilities	-	28.13	**28.13**	0.03	4.80	**4.83**
	Total	**-**	**50.21**	**50.21**	**0.03**	**4.88**	**4.91**
C	Contingent Liabilities	-	-	**-**	-	-	**-**
D	Capital Commitments	-	-		-	5.52	**5.52**
		For the Year			**For the Year**		
E	Total Income	0.09	17.57	**17.66**	0.11	8.39	**8.50**
F	Total Expenses	0.07	14.37	**14.44**	0.12	7.13	**7.25**

9. Disclosure as required by Clause 32 of Listing Agreement:

A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2015*	Amount as on 31.03.2014*	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	8.99	7.88	9.10	7.88
Orissa Integrated Power Limited	105.21	92.97	111.77	106.62
Coastal Karnataka Power Limited	3.81	3.32	3.81	3.33
Coastal Tamil Nadu Power Ltd.	70.10	57.00	70.10	57.00
Chhattisgarh Surguja Power Limited	75.23	68.37	75.23	68.42
Sakhigopal Integrated Power Company Limited	5.54	4.50	5.54	4.50
Ghogarpalli Integrated Power Company Limited	4.79	3.89	4.79	3.89
Tatiya Andhra Mega Power Limited	8.37	11.28	11.65	11.30
Deoghar Mega Power Ltd	6.12	5.00	6.12	5.01
PFC Green Energy Ltd.	0.31	0.40	0.53	0.40
PFC Capital Advisory Services Limited	0.13	0.36	0.52	0.49
Cheyyur Infra Limited	0.01	0.01	0.01	0.01
Odisha Infra Power Ltd.	0.11	0.01	0.11	0.01
Total	**288.72**	**254.99**	**299.28**	**268.86**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2015	Amount as on 31.03.2014	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
PFC Consulting Limited (PFCCL)	1.88	5.39	9.80	5.40
Coastal Maharashtra Mega Power Limited	59.79	56.47	59.79	56.47
Orissa Integrated Power Limited	72.57	67.57	72.57	67.57
Coastal Tamil Nadu Power Limited	68.72	63.72	68.72	63.72
Chhattisgarh Surguja Power Limited	66.17	61.16	66.17	61.16
Sakhigopal Integrated Power Company Limited	23.69	22.24	23.69	22.24
Ghogarpalli Integrated Power Company Limited	22.44	21.08	22.44	21.08
Tatiya Andhra Mega Power Limited	24.92	27.02	27.48	27.02
Total	**340.18**	**324.65**	**350.66**	**324.66**

(iii) To firms / companies in which directors are interested : Nil

(iv) Where there is no repayment schedule or repayment beyond seven years : Nil

(v) Where no interest or interest as per Section 186 of the Companies Act, 2013 : Nil

B. Investment by the loanee in the shares of PFC / Subsidiaries : Nil

10. Investment made in equity shares of Coal India Ltd.:

During the year, the Company has subscribed to 1,39,64,530 fully paid equity shares of Coal India Limited (CIL) of face value of ₹ 10/- per share under Offer for Sale route. The shares have been subscribed at a cost of ₹ 358.58/- per share aggregating to ₹ 500.74 crore.

11. Interest Differential Fund (IDF) - KFW

The agreement between KFW and the Company provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund - KFW and shown as a liability. The total fund accumulated as on 31.03.2015 is ₹ 58.38 crore (as on 31.03.2014 ₹ 54.63 crore), after transferring exchange difference of ₹ 14.11 crore (as on 31.03.2014 ₹ 16.56 crore).

12. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Foreign Currency (in millions)	
	31.03.2015	**31.03.2014**
USD	**1,128**	792
EURO	**19**	21
JPY	**24,209**	36,807

13. As required under AS-19, the disclosure with respect to various leases are as under:

(A) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total of future minimum lease payments recoverable (Gross Investments)	392.95	433.52
Present value of lease payments recoverable	212.27	242.54
Unearned finance income	**180.68**	**190.98**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	30.06	54.34
Later than one year and not later than 5 years	107.98	102.87
Later than five years	254.91	276.31
Total	**392.95**	**433.52**
Break up of present value of lease payments recoverable:-		
Not later than one year	10.06	33.15
Later than one year and not later than 5 years	36.18	33.11
Later than five years	166.03	176.28
Total	**212.27**	**242.54**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 1.78 crore as on 31.03.2015 (₹ 4.21 crore as on 31.03.2014). The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 4.43 crore as on 31.03.2015 (₹ 22.53 crore as on 31.03.2014). The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 7.62 crore as on 31.03.2015 (₹ 1.96 crore as on 31.03.2014). The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 379.12 crore as on 31.03.2015 (₹ 404.82 crore as on 31.03.2014). The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

(B) Operating Lease:

The Company's operating leases consist of:-

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 4.43 crore (during the FY ended 31.03.2014 ₹ 4.43 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 - Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17.

Other Expenses. Future lease payments in respect of these lease agreements are as under:

(₹ in crore)

Future minimum lease rent payments	FY ended 31.03.2015	FY ended 31.03.2014
	Office & Accommodations	Office & Accommodations
Not later than one year	2.11	2.58
Later than one year and not later than 5 years	0.27	0.36
Later than 5 years	0.00	0.00
Total	**2.38**	**2.94**

14. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the 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 period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However, on the basis of the 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 the net excess amount of ₹ 7.02 crore and ₹ 61.32 crore as on 31.03.2015 (₹ 6.32 crore and ₹ 74.53 crore as on 31.03.2014) for IX and X Plan, 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 the respective scheme.

(ii) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Opening balance of Interest Subsidy Fund (As on 1st day of the Financial Year)	**123.87**	145.78
Add : - Received during the period		– –
: - Interest credited during the period	**9.42**	10.70
: - Refund by the borrower due to non – commissioning of project in time	**–**	–
Less : - Interest subsidy passed on to borrowers	**21.94**	32.61
: - Refunded to MoP:		
(a) Estimated net excess against IX Plan	**–**	–
(b) Due to non- commissioning of Project in time	**–**	–
(c) Estimated net excess against X Plan	**–**	–
Closing balance of interest subsidy fund	**111.35**	**123.87**

15. The Company had exercised the option under para 46A of the AS-11 - 'The Effects of Changes in Foreign Exchange Rates', to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2015 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) amounting to ₹ 380.56 crore (as on 31.03.2014 ₹ 709.21 crore) is shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item.

16. Implementation of GoI Scheme:

(A) Re-structured Accelerated Power Development and Reforms Programme (R - APDRP):

(i) The Company is the Nodal Agency for operationalisation and associated service for implementation of the R - APDRP under which projects are being taken up in two parts. Part - A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part - B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part - B. Balance funds for Part - B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part A- along with interest thereon are convertible into grant as per applicable guidelines. Similarly, up to 50% (up to 90% for special category states) of the loan against Part -B project would be convertible in to grant as per applicable guidelines. Enabling activities of the programme are covered under Part - C.

Amounts received from the Government of India 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-lended but not converted in to grants as per applicable guidelines will become payable along with interest to the GoI on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
A. GoI Loan under R-APDRP (Principal)						
Opening balance as on 1st day of the Financial Year	7,315.85	6,694.63	0.00	0.00	0.00	0.25
Additions during the period	578.47	640.00	578.47	640.00	0.00	0.00
Recoveries / refunds / changes during the period	(206.48)	(18.78)	(578.47)	(640.00)	0.00	(0.25)
Closing balance (A)	**7,687.84**	**7,315.85**	**0.00**	**0.00**	**0.00**	**0.00**
B. Interest Accrued but not due (Int.earned on FD)	-	-	-	-	-	-
C. Interest on loan under R-APDRP						
(i) Accrued but not due						
Opening Balance	1,605.09	1,327.94				
Additions during the period	673.90	627.24				
Transfer to Accumulated Moratorium Interest	298.41	(340.43)				
Transfer to Interest Accrued and Due	(13.51)	(9.66)				
Closing Balance	2,563.89	1,605.09				
(ii) Accrued and due						
Opening Balance	3.69	0.00				
Additions During the period	16.59	9.66				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(16.60)	(5.97)				
Closing Balance	3.68	3.69				
Interest on loan under R-APDRP (C) = (i + ii)	**2,567.57**	**1,608.78**				
D. Accumulated Moratorium Interest						
Opening Balance	338.92	0.00				
Additions during the period	(301.58)	340.43				
Recoveries & refunds to GoI / Changes due to extension of project completion period	1.51	(1.51)				
Closing Balance (D)	**38.85**	**338.92**				
E. Interest on Accumulated Moratorium Interest						
(i) Accrued but not due						
Opening Balance	1.42	0.00				
Additions during the period	(0.92)	4.48				
Transfer to accrued and due	(0.35)	(3.06)				
Closing Balance	0.15	1.42				
(ii) Accrued and due						
Opening Balance	2.21	0.00				
Additions during the period	(1.88)	3.06				
Recoveries & refunds to GoI / Changes due to extension of project completion period	0.85	(0.85)				
Closing Balance	1.18	2.21				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**1.33**	**3.63**				
F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest						

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
(i) Interest on Interest						
Opening Balance	0.00	-				
Additions during the period	0.11	-				
Recoveries / refunds / changes during the period	(0.06)	-				
Closing Balance	0.05	-				
(ii) Interest on Interest on Accumulated Moratorium Interest		-				
Opening Balance	0.00	-				
Additions during the period	0.02	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	0.00	-				
Closing Balance	0.02	-				
(iii) Penal Interest		-				
Opening Balance	0.00	-				
Additions during the period	0.15	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	(0.10)	-				
Closing Balance	0.05	-				
Interest on Interest, Interest on Interest on Accumulated Moratorium Interest and Penal Interest (F) = (i + ii+iii)	0.12	-				
Closing Balance (A+B+C+D+E+F)	**10,295.71**	**9,267.18**	**0.00**	**0.00**	**0.00**	**0.00**

(ii) In line with the R – APDRP scheme approved by MoP, GoI , vide Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010, till 31.03.2013, Nodal Agency Fees under R – APDRP had been accounted for @ 1% of the sanctioned project cost in three stages - 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). Further, actual expenditure, including expenditure allocable on account of PFC manpower, incurred for operationalising the R– APDRP were reimbursed / reimbursable by Ministry of Power, Government of India. As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

Ministry of Power (MoP) vide letter dated 15.07.2013 informed that as per Department of Expenditure (DoE), Nodal Agency Fee for R-APDRP scheme for 12th Plan may be restricted to 0.5% of the sanctioned project cost or actual expenditure, whichever is less.

Pursuant to various correspondence with MoP, GoI a revised proposal was submitted to MoP, GoI vide letter dated 26.12.2014, wherein Company agreed to restrict its claims only to reimbursements of actual expenditure in line with norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 excluding Company's own manpower (Salary only) / administrative charges during XII / XIII Plan under R-APDRP. MoP vide letter dated 05.01.2015 directed the Company to intimate its final claim based on revised proposal of the Company. The Company, vide letter dated 02.02.2015, submitted its claim including balance claim pertaining to XIth plan and claim for the period from 01.04.2012 to 31.12.2014 (earlier shown as other expenses of the Company) which has been approved by MoP vide its letter dated 31.03.2015

Accordingly, the Company has reversed Nodal Agency Fee for R-APDRP scheme for XIIth Plan (upto FY 2013-14) amounting to ₹ 35.86 crore and has not recognized the fee pertaining to the current year.

(ii) As on 31.03.2015, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC is as under:-

(₹ in crore)

Particulars	During the FY ended 31.03.2015	During the FY ended 31.03.2014	Cumulative up-to	
			31.03.2015	31.03.2014
Nodal agency fee*	(36.38)#	18.50	127.41	163.79
Reimbursement of expenditure	41.20**	(21.81)	103.06	61.86
Total	**4.82**	**(3.31)**	**230.47**	**225.65**

*Exclusive of Service Tax

#Reversal for XI[th] & XII[th] Plan ₹ 1.41 crore and ₹ 35.86 crore respectively, net of fee booked ₹ 0.89 crore for XI[th] Plan disbursement.

** Net of claim for FY 2012-13 to FY 2013-14 ₹ 36.91 crore (Accounted for as other expenses of the Company earlier and reversed as amount recoverable from MoP, GoI during the year), reversal / rectification ₹ (4.93) crore in respect of current and earlier years, and claim for FY 14-15 ₹ 9.22 crore.

(B) Integrated Power Development Scheme (IPDS)

Govt. of India (GoI) has launched IPDS for the Urban areas with the (i) Strengthening of Sub-transmission and Distribution network in urban areas including provisioning of solar panels on Govt. buildings including Net-metering, (ii) Metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network, as per CCEA approval dated 21.06.2013 for completion of the targets laid down under R-APDRP for XII[th] and XIII[th] Plans by subsuming R-APDRP in IPDS and carrying forward the approved outlay for R-APDRP to IPDS.

As per guidelines, approved by IPDS Monitoring Committee, constituted by Ministry of Power (MoP), GoI, the company has been designated as the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the MoP. The role of the Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to the eligible utilities which can be recalled / pre closed subject to certain conditions mentioned in the IPDS guidelines.

The Company will be eligible for 0.5% of the total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1[st] installment: 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under IPDS.

ii. 2[nd] installment: 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.

iii. 3[rd] installment: 20% of the nodal agency fee (i.e. 20% of 0.5% of approved project cost) after one year of claiming 2[nd] installment.

iv. 4[th] installment: 10% of the nodal agency fee (i.e. 10% of 0.5% of approved project cost) after completion of works.

The details are furnished below

(₹ in crore)

Particulars	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Opening balance as on 1[st] day of the Financial Year	-	-	0.00	-	0.00	-
Additions during the period	-	-	50.00	-	0.01	-
Recoveries / refunds / changes during the period	-	-	0.00	-	0.00	-
Closing balance	**-**	**-**	**50.00***	**-**	**0.01***	**-**

*Appearing as amount payable to GoI.

17. The Company has been creating provision @ 0.25% of the outstanding standard loan assets excluding outstanding restructured standard loan assets on which separate provision has been started during the year. As on 31.03.2015, the Standard Asset provision stands at ₹ 486.57crore (₹ 469.42 crore as on 31.03.2014).

18. The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016.

The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt.of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP) which inter-alia includes norms for

Restructuring / Reschedulement / Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central / state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Further, for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, the provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018. This provision is in addition to the provision for diminution in fair value.

The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination.

Pending decision by RBI regarding implementation of R/R/R norms, the Company is following its own norms read with the manner of implementation as stated above.

Accordingly, the Accounting policy related to Prudential Norms on R/R/R has been amended during the year ended 31.03.2015 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the year ended 31.03.2015 a provision has been made amounting to ₹ 564.44 crore, on qualifying loans. As on 31.03.2015, these loans comprise of private sector loan ₹ 20,524.91 crore and Govt. Sector loan Nil. Consequently, profit for the year ended 31.03.2015 has been reduced by ₹ 513.12 crore, after considering the existing provision on standard loan assets on these restructured loans.

19. (A) The Classification of Loan Assets (Gross) as per the Company's Prudential Norms is as under:

(₹ in crore)

Sl. No.	Asset Classification	As on 31.03.2015		As on 31.03.2014	
		Principal Outstanding	Provision as per Norms on Principal Outstanding	Principal Outstanding	Provision as per Norms on Principal Outstanding
(i)	Standard Assets	1,94,627.13	486.57	176,018.17	440.05
(ii)	Restructured Standard Assets	20,524.91	564.44	11,749.32	29.37
(iii)	Sub-standard Assets	1,209.37	120.93	103.83	10.38
(iv)	Doubtful Assets	1,145.34	343.60	1,114.97	222.99
(v)	Loss Assets	8.92	8.92	8.92	8.92
	Grand Total	**2,17,515.67**	**1,524.46**	**1,88,995.21**	**711.71**

(B) The details of provisions made as per Prudential Norms of the Company on loan assets and other assets are as under:

(₹ in crore)

S.No.	Particulars	During the FY ended 2014-15	During the FY ended 2013-14
(i)	Provision on Standard Assets	17.15	336.63
(ii)	Provision on Restructured Standard Assets	564.44	0.00
(iii)	Provision on NPAs (Loan Assets)	231.16	120.82
(iv)	Provision on NPAs (Other Assets)	30.16	12.44
	Total	**842.91**	**469.89**

(C) Provision for shortfall in security of Restructured/Rescheduled/Renegotiated (R/R/R)Loans:

The Restructured Standard Assets as on 31.03.2015 includes 3 loan assets amounting to ₹ 2,753.50 crore, classified as unsecured. These loans carry adequate security as on 31.03.2015 in form of charge on assets etc., but require completion of full security creation process as per the sanction terms. Hence, these are classified as unsecured. As these loans carry adequate security coverage as on 31.03.2015, there is no short fall in security. Provision on these R/R/R assets has been created @2.75% and no further provision for any shortfall in security is required.

20. Details of Restructured Accounts

(₹ in crore)

S. N.	Type of Restructuring#		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 01, 2014	No. of borrowers	-	-	-	-	-	9	2	2	0	**13**	9	2	2	0	**13**
		Amount outstanding (Restructured facility)	-	-	-	-	-	11749.32	103.83	1114.97	0	**12968.12**	11749.32	103.83	1114.97	0	**12968.12**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	103.83	0	**103.83**	0.00	0.00	103.83	0	**103.83**
		Provision Thereon	-	-	-	-	-	0.00	10.38	243.76	0	**254.14**	0.00	10.38	243.76	0	**254.14**
2	Movement of balance in account appearing in opening balance	No. of borrowers	-	-	-	-	-	9	0	2	0	**11**	9	0	2	0	**11**
		Amount outstanding (Restructured facility)	-	-	-	-	-	1692.88	0.00	5.49	0	**1698.37**	1692.88	0.00	5.49	0	**1698.37**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	65.95	0	**65.95**	0.00	0.00	65.95	0	**65.95**
		Provision Thereon	-	-	-	-	-	369.66	0.00	143.31	0	**512.97**	369.66	0.00	143.31	0	**512.97**
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	6	0	0	0	**6**	6	0	0	0	**6**
		Amount outstanding (Restructured facility)	-	-	-	-	-	7082.71	0.00	0.00	0	**7082.71**	7082.71	0.00	0.00	0	**7082.71**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	194.77	0.00	0.00	0	**194.77**	194.77	0.00	0.00	0	**194.77**
4	Up gradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-1	0	0	0	**-1**	-1	0	0	0	**-1**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
6	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	-1	1	0	**0**	0	-1	1	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	-27.20	24.88	0	**-2.32**	0.00	-27.20	24.88	0	**-2.32**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	-2.72	7.46	0	**4.74**	0.00	-2.72	7.46	0	**4.74**
7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
8	Restructured accounts as on March 31, 2015	No. of borrowers	-	-	-	-	-	14	1	3	0	**18**	14	1	3	0	**18**
		Amount outstanding (Restructured facility)	-	-	-	-	-	20524.91	76.63	1145.34	0	**21746.88**	20524.91	76.63	1145.34	0	**21746.88**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	169.78	0	**169.78**	0.00	0.00	169.78	0	**169.78**
		Provision Thereon	-	-	-	-	-	564.44	7.66	394.53	0	**966.63**	564.44	7.66	394.53	0	**966.63**

21. The status of net deferred tax assets / liabilities as per Accounting Standard-22 Accounting for Taxes on Income is given below :

(₹ in crore)

Description	As on 31.03.2015	As on 31.03.2014
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	11.25	23.28
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	(0.25)	(1.42)
(ii) Lease income	(72.19)	(79.95)
(iii) Amortization	(0.60)	(0.83)
(iv) Unamortized Exchange Loss (Net)	(127.46)	(215.30)
Net Deferred Tax liabilities (-)/Assets (+)	**(189.25)**	**(274.22)**

22. In compliance with Accounting Standard - 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

(₹ in crore)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit after tax used as numerator (₹ in crore)	5,959.33	5,417.75
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,31,803
Diluted effect of outstanding Stock Options	-	7,525
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,39,328
Earning per share (basic) (₹)	45.15	41.04
Effect of outstanding Stock Options (₹)	0.00	0.00
Earning per share (diluted) (₹)	45.15	41.04
Face value per share (₹)	10.00	10.00

23. The Company has no outstanding liability towards Micro, Small and Medium Enterprises.

24. Leasehold land is not amortized, as it is a perpetual lease.

25. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

(₹ in crore)

S. No.	Exchange Rates	As on 31.03.2015	As on 31.03.2014
(i)	USD / INR	63.06	60.49
(ii)	JPY / INR	0.5263	0.5903
(iii)	EURO / INR	68.42	83.48

In case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

26. Disclosures as per Accounting Standard -15 :-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust to ensure a minimum rate of return to the members as specified by GoI. However, any short fall 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 take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrue on half yearly basis @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized for 31.03.2015 in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) are for 31.03.2014}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Interest cost on benefit obligation	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Expected return on plan assets	-1.54 (-1.28)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.21 (-0.50)	2.11 (1.54)	1.16 (2.65)
Expenses recognised in Statement of Profit & Loss Account*	0.21 (0.86)	3.63 (2.75)	5.06 (6.17)

(*) During the year the expenses includes ₹ 0.02 crore (previous year ₹ 0.07 crore), ₹ 0.42 crore (previous year ₹ 0.58 crore) and ₹ 0.34 crore (previous year ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 31.03.2015 (i)	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Fair value of plan assets as on 31.03.2015 (ii)	19.15 (17.12)	0.00 (0.00)	0.00 (0.00)
Difference (ii) - (i)	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)
Net asset / (liability) recognized in the Balance Sheet	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 01.04.2014	17.98 (16.16)	11.75 (9.50)	20.66 (20.39)
Interest cost	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Benefits paid	-0.47 (-0.51)	-0.80 (-0.50)	-2.30 (-5.90)
Net actuarial (gain)/loss on obligation	-1.11 (-0.31)	2.11 (1.54)	1.16 (2.65)
Present value of the defined benefit obligation as on 31.03.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)

iv) Changes in the fair value of plan assets

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Fair value of plan assets as on 01.04.2014	17.12 (14.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.54 (1.28)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.86 (1.48)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.47 (-0.51)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.09 (0.20)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as on 31.03.2015	19.14 (17.12)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore

Cost decrease by 1% ₹ (2.19) crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 0.21 crore, to PRMS of ₹ 3.63 crore, to leave ₹ 5.06 crore and to pension Nil (during the year ended 31.03.2014 towards contribution to the Gratuity Trust of ₹ 0.86 crore, to PRMS of ₹ 2.75 crore, to leave ₹ 6.17 crore and to pension ₹ Nil crore). Above amount includes ₹ 0.02 crore (as on 31.03.2014 ₹ 0.07 crore), ₹ 0.42 crore (as on 31.03.2014 ₹ 0.58 crore) and ₹ 0.34 crore (as on 31.03.2014 ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

G. Other Employee Benefits:-

During the year, provision of ₹ 0.01 crore (during the year ended 31.03.2014 ₹ -0.05 crore) has been made for Economic Rehabilitation Scheme (ERS) for Employees and provision of ₹ 0.92 crore has been made for Long Service Award (LSA) for employees (during the year ended 31.03.2014 ₹ 0.74 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss.

H. Details of the Plan Asset:- Gratuity

The details of the plan assets at cost, as on 31.03.2015 are as follows:-

(₹ in crore)

S.No.	Particulars	As on 31.03.2015	As on 31.03.2014
i)	Government Securities	10.91	9.69
ii)	Corporate bonds / debentures	7.54	6.82
	Total	**18.45**	**16.51**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets - Gratuity	9.00%
Future salary increase*	6.00%

*The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

I. Till FY 2013-14, the employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFC GEL and PFCCL on deputation / secondment basis were being allocated on actuarial basis and recognized as recoverable (from these subsidiaries) by the Company. During the FY 2014-15, the practice has been changed with effect from 01.01.2007, whereby amount recoverable from subsidiaries, on account of above stated employee benefits, has been mutually worked out at a fixed percentage of employee cost.

J. **Other disclosure**

(₹ in crore)

Gratuity*	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	19.36	17.98	16.16	14.03	12.69
Fair value of plan assets as on	19.14	17.12	14.67	12.95	10.57
Surplus/(Deficit)	(0.21)	(0.86)	(1.48)	(1.08)	(2.13)
Experience adjustment on plan liabilities (loss)/gain	1.10	0.31	0.31	0.23	(0.79)
Experience adjustment on plan assets (loss)/gain	1.64	0.26	0.02	0.17	0.19

(₹ in crore)

PRMS	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	14.58	11.75	9.50	8.33	7.13
Experience adjustment on plan liabilities (loss)/gain	(2.12)	(1.54)	(0.16)	(0.78)	(0.17)

(₹ in crore)

Leave	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	23.42	20.66	20.39	17.74	15.47
Experience adjustment on plan liabilities (loss)/gain	(1.18)	(2.63)	(1.50)	(0.58)	(0.65)

(₹ in crore)

LSA	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	4.49	4.04	3.71	3.33	2.75
Experience adjustment on plan liabilities (loss)/gain	0.67	0.46	0.80	-	-

(₹ in crore)

ERS	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	1.24	1.24	1.31	1.24	1.26
Experience adjustment on plan liabilities (loss)/gain	0.38	0.46	0.43	-	0.40

(₹ in crore)

Baggage Allowance	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	0.10	0.09	0.08	0.07	0.05
Experience adjustment on plan liabilities (loss)/gain	0.02	0.01	0.01	-	-

*The Company's best estimate of the contribution towards gratuity for the financial year 2015-16 is ₹ 0.68 crore. Actual return on plan assets during the FY ended 31.03.2015 is ₹ 1.64 crore (previous year ₹ 1.47 crore). Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

27. Details of provision as required in Accounting Standard - 29, {Figures in brackets ( ) are as on 31.03.2014}, are as under :

(₹ in crore)

Provision for	**Opening Balance (1)**	**Addition during the year (2)**	**Paid / adjusted during the year (3)**	**Closing Balance 4 = (1+2-3)**
Post-Retirement Medical Scheme	11.75 (9.50)	3.63 (2.75)	0.80 (0.50)	14.58 (11.75)
Gratuity	0.86 (1.48)	0.21 (0.86)	0.99 (1.48)	0.08 (0.86)
Provision for super annuation benefit (Pension)	0.07 (0.15)	0.00 (0.00)	0.00 (0.08)	0.07 (0.07)
Leave Encashment	20.66 (20.39)	5.06 (6.17)	2.30 (5.90)	23.42 (20.66)
Economic Rehabilitation Scheme for employee	1.24 (1.31)	0.01 (-0.05)	0.01 (0.02)	1.24 (1.24)
Bonus / Incentives / Base Line Compensation	17.75 (15.52)	12.09 (10.25)	18.94 (8.02)	10.90 (17.75)
Baggage Allowances	0.09 (0.08)	0.01 (0.01)	0.00 (0.00)	0.10 (0.09)
Service Award	4.04 (3.71)	0.92 (0.74)	0.47 (0.41)	4.49 (4.04)
Income Tax	4,630.44 (3,419.83)	2,506.74 (2,081.03)	925.99 (870.42)	6,211.19 (4,630.44)

Proposed Final Dividend	26.40 (132.00)	79.20 (26.40)	26.40 (132.00)	79.20 (26.40)
Proposed Corporate Dividend Tax	4.49 (22.43)	16.12 (4.49)	4.49 (22.43)	16.12 (4.49)

28. Pursuant to the requirements of the Companies Act 2013, followed by clarification from Department of Public Enterprises (DPE), the Company amended its CSR and Sustainability policy during the year. Accordingly, during the year, a CSR provision amounting to ₹117.49 crore (previous year ₹ 63.23 crore including reversal of CSR and SD reserve amounting to ₹ 18.85 crore as on 31.03.2013) has been made at the rate 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years. During the FY 2014-15, an amount of ₹ 49.90 crore (previous year ₹ 46.52 crore) has been disbursed against CSR activities.

As on 31.03.2015, the CSR and SD provisions stands at ₹ 114.30 crore(previous year ₹ 32.33 crore) after adjusting an amount of ₹ 35.52 crore (previous year ₹ 30.90 crore) during the year on account of CSR claims.

29. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies.

During the FY ended 31.03.2015, following changes in Part - B- Significant accounting policies have been made:

(i) Policy no. 1, Basis for Preparation of Financial Statements, has been aligned with the Companies Act, 2013. There is no financial impact due to this change.

(ii) Policy no. 2.7, regarding adjustment of repayment against earliest disbursement is deleted since the same is covered under Policy no. 2.6. There is no financial impact due to this change.

(iii) Policy no. 3.3, Fixed assets / Depreciation, has been aligned with the Companies Act, 2013. There is no financial impact due to this change. The financial impact on account of change in estimate has been disclosed at note 35.

(iv) Policy no. 4.1, Intangible Assets / Amortization, has been aligned with the presentation followed by the Company. There is no financial impact due to this change.

(v) Policy no. 5, Investments, has been modified to bring in more clarity. There is no financial impact due to this change.

(vi) Policy no. 6.4.(ii)(a) has been modified to avoid overlapping with policy no. 6.3.(iii). There is no financial impact due to this change.

(vii) Policy no. 6.7.(i), Restructuring, Reschedulement or Renegotiation of term(s) of loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(viii) Policy no. 6.7.(vii), Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

ix) Policy no. 6.7.(xii), regarding provisioning on Restructured / Rescheduled / Renegotiated standard asset, has been added to align with the changes in the Prudential Norms of the Company. The financial impact has been disclosed at note18 supra.

x) Policy no. 9, Accounting of Government of India Schemes, has been amended to align with the nature of transaction governed under the policy related to GoI schemes such as R-APDRP, IPDS. There is no financial impact due to this change.

(xi) Policy no. 11, R-APDRP Fund, has been deleted since the same is covered under amended Policy no. 9. There is no financial impact due to this change.

(xii) Policy no. 12.5, regarding income on development of Request for Qualification (RFQ) document / Request for Proposal (RFP) document, has been deleted since the same is no more relevant. There is no financial impact due to this change.

(xiii) Policy no. 16, Cash and Cash Equivalents, has been added to bring in more clarity. There is no financial impact due to this change.

30. (A) Interim Dividend

The Board of Directors in their 330^{th} meeting held on 27.02.2015 declared interim dividend at the rate of 85% i.e. ₹ 8.50/- per equity share of ₹ 10/- each amounting to ₹ 1,122.04 crore for the FY 2014-15.

(B) Proposed Final Dividend

The final dividend proposed for the year is as follows:

Particulars	**Year ended 31.03.2015**	**Year ended 31.03.2014**
On Equity Shares of ₹ 10 each		
- Amount of Dividend proposed (₹ in crores)	79.20	26.40
- Rate of Dividend	6.00%	2.00%
- Dividend per equity share (₹)	0.60	0.20

(C) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

Particulars	**Interim Dividend**		**Final Dividend**	
Year to which the dividend relates	2013-14	2012-13	2013-14	2012-13
Number of non-resident shareholders	2,359	2,421	2,460	2,452
Number of shares held by them of Face Value of ₹ 10 each	14,36,22,601	14,63,82,692	15,81,53,992	15,42,59,825
Gross amount of Dividend in (₹ in crore)	126.39	87.83	3.16	15.43

31. The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing the practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.

The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. The response in this regard is still awaited.

Meanwhile, the Company vide letter dated 19.02.2015 has again requested CERSAI to remove the practical difficulties in entering the data in the web portal of CERSAI. The response is still awaited.

32. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore (Previous Year ₹ Nil) became due and was transferred to the Investor Education and Protection Fund (IEPF) during the FY ended 31.03.2015. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.

33. During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2014 to the borrowers and confirmation from all the borrowers (except one case which is sub-judice) have been received.

34. The Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company are given hereunder:-

	Items	**As on 31.03.2015**	**As on 31.03.2014**
(i)	Capital Fund - a. Tier I (₹ in crore) - b. Tier II (₹ in crore)	30,099.55 6,011.08	25,641.72 5,751.93
(ii)	Risk weighted assets (₹ in crore)	1,77,542.35	1,56,154.40
(iii)	CRAR	20.34%	20.10%
(iv)	CRAR - Tier I Capital	16.95%	16.42%
(v)	CRAR - Tier II Capital	3.39%	3.68%
		During the FY ended 31.03.2015	**During the FY ended 31.03.2014**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	0.00	3,800.00
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	0.00	0.00

35. Effective from 1st April 2014, depreciation on assets is provided on original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as per Companies Act, 2013. In respect of life expired assets, an amount of ₹ 1.92 crore (net of deferred tax) has been charged to retained earnings as per Companies Act, 2013.

36. The Company does not have more than one reportable segment in terms of Accounting Standard-17 on Segment Reporting.

37. Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.

38. Figures have been rounded off to the nearest crore of rupees with two decimals.

39. Additional Disclosures in accordance with RBI Directions on Corporate Governance:

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Capital

Reference may be made to Note Part -C 34 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Particulars			As on 31.03.2015	As on 31.03.2014
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	852.38	352.17
		(b)	Outside India	0.00	0.00
	(ii)	Provisions for Depreciation			
		(a)	In India	1.06	0.00
		(b)	Outside India	0.00	0.00
	(iii)	Net Value of Investments			
		(a)	In India	851.32	352.17
		(b)	Outside India.	0.00	0.00
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		0.00	0.15
	(ii)	Add : Provisions made during the year		1.06	0.00
	(iii)	Less : Write-off / write-back of excess provisions during the year		0.00	0.15
	(iv)	Closing balance		1.06	0.00

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities

(₹ in crore)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	The notional principal of swap agreements	9,541.10	11,442.78
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	74.47	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	N/A	N/A
(iv)	Concentration of credit risk arising from the swaps	N/A	N/A
(v)	The fair value of the swap book	42.13	(407.83)

II. The Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. The Company has put in place Currency Risk Management policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes the structure and organization for management of associated risks.

b. The Company enters into derivatives transactions to mitigate exchange rate risk in foreign currency liabilities and interest rate risk in rupee and foreign currency liabilities. A system for reporting and monitoring of risks is in place.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The Mark to Market positions mentioned are those as informed by the counterparties.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ in crore)

Sl.No.	Particular	As on 31.03.2015		As on 31.03.2014	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[(1)]	1,595.42	9,541.10	2,662.71	11,442.78
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	12.86	86.05	90.44	4.37
	b) Liability (-MTM)	294.66	43.92	269.49	412.20
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures[(2)]	8,830.84	6,608.82	7,397.24	3,892.76

[(1)]Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,964.60 crore (As on 31.03.2014 ₹ 7,964.60 crore).

[(2)]Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 1,008.96 crore (As on 31.03.2014 ₹ 1,482.01 crore)

(E) Disclosures related to Securitisation

I. The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as on 31.03.2015 (Previous year Nil).

II. The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2015 (Previous Year Nil).

III. The Company has not undertaken any assignment transaction during the year ended 31.03.2015 (Previous Year Nil).

IV. The Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2015 (Previous Year Nil)

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Particulars	Upto 30 / 31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances[1]	2,773.84	289.41	409.98	3,308.93	9,011.93	36,676.83	40,159.93	1,24,571.47	2,17,202.32
Investments	0.00	0.00	0.00	0.00	504.04	0.00	0.00	347.29	851.33
Borrowings[2]	6,009.67	4,154.50	2,885.00	302.80	10,212.78	41,704.41	40,714.85	72,416.83	1,78,400.84
Foreign Currency assets	7.90	0.00	0.00	14.59	16.41	37.67	92.06	144.72	313.35
Foreign Currency liabilities	4.51	0.00	6.52	1,576.50	463.64	3,084.13	1,614.63	2,980.72	9,730.65

[1] Rupee Loan Assets
[2] Rupee Liabilities

(G) Exposures

I. The Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Particulars	Amount as on 31.03.2015	Amount as on 31.03.2014
(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);	844.70	344.49
(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;	Nil	Nil
(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;	1,076.71	200.00
(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);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	2,097.82	1,317.44
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	7.68	7.68
	Total Exposure to Capital Market	**4,026.91**	**1,869.61**

III. Details of financing of parent company products:
The Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:
The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2014-15 and FY 2013-14.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as on 31.03.2015 (As on 31.03.2014 Nil).

(H) Registration obtained from other financial sector regulators

The Company is a Government Company and is registered with RBI as NBFC-ND-IFC (Non-Banking Finance Company - Non Deposit Accepting - Infrastructure Finance Company).

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2015, no penalty has been imposed on the Company by SEBI and RBI (Previous Year Nil).

(J) Credit rating

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as on 31.03.2015:

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

(1)During the year ended 31.03.2015, S&P has revised its outlook from Negative to Stable.

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Part A-18 and C-29 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Reference may be made to note Part B - 2.1 of Significant Accounting Policy.

(M) The Company is preparing Consolidated Financial Statements in accordance with Accounting Standard - 21. Reference may be made to Part C - 8 (A) of notes to accounts in this regard.

(N) Provisions and Contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	During the FY ended 31.03.2015	During the FY ended 31.03.2014
Provisions for depreciation on Investment	1.06	(0.15)
Provision towards NPA	261.32	133.26
Provision made towards Income Tax	2,506.74	2,081.03
Provision on Standard Assets	17.15	336.63
Provision on Restructured Standard Assets	564.44	0.00

(O) Draw Down from Reserves

Reference may be made to Part C-35 of notes to accounts in this regard.

(P) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs)

The Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Advances to 20 largest borrowers	1,34,468.69	1,23,452.40
Percentage of Advances to 20 largest borrowers to Total Advances of the company	61.82	65.32

c. Concentration of Exposures:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to twenty largest borrowers / customers	2,02,132.26	2,08,173.07
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	55.77	61.05

d. Concentration of NPAs:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to top four NPA accounts	2,228.64	1,218.80

e. Sector-wise NPAs

The Company is a Government Company engaged in extending financial assistance to power sector. As on 31.03.2015, the percentage of NPAs to total loan assets stand at 0.87% (As on 31.03.2014 0.52%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ in crore)

Sl. No.	Particulars		FY 2014-15	FY 2013-14
(i)	Net NPAs to Net Advances (%)		0.87	0.52
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	1,227.71	1,134.52
	(b)	Additions during the year	2,482.92	1,418.44
	(c)	Reductions during the year	1,347.00	1,325.25
	(d)	Closing balance	2,363.63	1,227.71
(iii)	Movement of Net NPAs			
	(a)	Opening balance	985.42	1,013.04
	(b)	Additions during the year	2,229.69	1,261.69
	(c)	Reductions during the year	1,324.93	1,289.31
	(d)	Closing balance	1,890.18	985.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	242.29	121.48
	(b)	Provisions made during the year	365.63	253.34
	(c)	Write-off / write-back of excess provisions	134.47	132.53
	(d)	Closing balance	473.45	242.29

(R) The Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-8(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2014-15

Sl. No.	Particulars	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

	FY 2015-16 **Part – C** **Other Notes on Accounts**
1.	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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.
2.	Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US $ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.48	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	403.07	787.32
	Total	**629.55**	**1,054.89**

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

2.2 Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year ₹ 0.33 Crore).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50$

* Pertaining to Assessment Year 2001-02 to 2013-14.
$ Pertaining to Assessment Year 2001-02 to 2012-13.

4.	A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document. B. The Company is creating Debenture Redemption Reserve (DRR) 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. C. 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 borrowings. As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2016 and 17.03.2016 respectively.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.65
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
B.	**Earning in foreign currency**	-	-

*excluding withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
Total		**10,070.22**		**8,514.73**

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

S. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

6.	Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	**Period**
Shri M K Goel, CMD and CEO *	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014

* Holding additional charge of Director (Commercial) till 16.11.2015.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 2.36 crore (Previous year ₹ 2.50 crore).

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	**Name of the companies**	**Date of investment**	**No. of equity shares subscribed**	**% of ownership as at 31.03.2016**	**Amount as at 31.03.2016 (₹ in crore)**	**Amount as at 31.03.2015 (₹ in crore)**
(a)	**Subsidiary Companies** (i)					
(i)	PFC Consulting Limited (PFCCL)(ii)	09.04.2008	50,000	100%	0.05	0.05
(ii a)	PFC Green Energy Limited (PFCGEL) (Equity Shares)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii b)	PFCGEL (Preference Shares)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS)(ii)	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP)(iii)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	Sub-Total (A)				**300.20**	**300.20**
(b)	**Subsidiary Companies promoted as SPVs for UMPPs** (iv)					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05

(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited [(v)]	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50000	100%	0.05	-
(xiii)	Bihar Infrapower Limited	26.08.2015	50000	100%	0.05	-
(xiv)	Bihar Mega Power Limited	27.08.2015	50000	100%	0.05	-
(xv)	Jharkhand Infrapower Limited	05.02.2016	50000	100%	0.05	-
	Sub-Total (B)				**0.75**	**0.55**
(c)	**Joint venture Companies[(i)]**					
(i)	National Power Exchange Limited (NPEL)[(vi)]	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19	2.19
(ii)	Energy Efficiency Services Limited (EESL)[(vii)]	21.01.2010 26.03.2013 21.08.2015	6,25,000 2,18,75,000 2,50,00,000	28.79%	47.50	22.50
	Sub-Total (C)				**49.69**	**24.69**
	TOTAL [(viii)] (A+ B+ C)				**350.64**	**325.44**

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Decision to merge PFCCAS with PFCCL has been referred to Ministry of Power (MoP), Govt. of India (GoI). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.

(iii) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(iv) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

(v) Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, GoI.

(vi) The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).

(vii) Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.

(viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2016 and income and expenses for the period in respect of joint venture entities based on their audited* financial statements are given below:

(₹ in crore)

S.No	Description	As at 31.03.2016			As at 31.03.2015		
		NPEL	**EESL***	**Total**	**NPEL**	**EESL**	**Total**
	Ownership (%)	**16.66**	**28.79**		**16.66**	**25**	
A	Assets						
	Non-Current assets	0.01	180.87	**180.88**	0.02	38.06	**38.08**
	Current assets	1.22	253.66	**254.88**	1.13	40.91	**42.04**
	Total	**1.23**	**434.53**	**435.76**	**1.15**	**78.97**	**80.12**
B	Liabilities						
	Non-Current Liabilities	0.00	65.89	**65.89**	-	22.68	22.68
	Current Liabilities	0.03	248.82	**248.85**	-	28.71	28.71
	Total	**0.03**	**314.71**	**314.74**	-	**51.39**	**51.39**
C	Contingent liabilities	0.00	-	**0.00**	-	-	-
D	Capital commitments	0.00	84.24	**84.24**	-	-	
		For the Year ended 31.03.2016			**For the Year ended 31.03.2015**		
E	Total Income	0.09	205.68	**205.77**	0.09	17.78	**17.87**
F	Total Expenses	0.00	191.40	**191.40**	0.07	14.29	**14.36**

* Based on Unaudited provisional financials.

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below: (₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.10	96.85	70.10
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.79
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
PFC Green Energy Limited	0.24	0.31	0.43	0.53
PFC Capital Advisory Services Limited	0.19	0.13	0.23	0.52
Cheyyur Infra Limited	0.02	0.01	0.02	0.01
Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
Total	**313.77**	**288.72**	**357.65**	**299.28**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below: (₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Consulting Limited	2.70	1.88	2.70	9.80
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.72	22.44	23.72	22.44
Tatiya Andhra Mega Power Limited	25.73	24.92	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
Total	**383.83**	**340.18**	**383.83**	**350.66**

(iii) Loans and Advances, in the nature of loans, to Firms / companies in which directors are interested are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2016	Outstanding as at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Green Energy Limited	11.58	-	11.58	-

B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9. Major Investments made during the year:

The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(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	**As at 31.03.2016**	**As at 31.03.2015**
Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95
Present value of lease payments recoverable	204.09	212.27
Unearned finance income	**160.69**	**180.68**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	30.06
Later than one year and not later than 5 years	107.54	107.98
Later than five years	230.13	254.91
Total	**364.78**	**392.95**
Break up of present value of lease payments recoverable:-		
Not later than one year	7.89	10.06
Later than one year and not later than 5 years	39.52	36.18
Later than five years	156.68	166.03
Total	**204.09**	**212.27**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 4.65 crore (Previous year ₹ 4.43 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	**Year ended 31.03.2016**	**Year ended 31.03.2015**
Not later than one year	3.00	2.11
Later than one year and not later than 5 years	1.05	0.27
Later than 5 years	-	-
Total	**4.05**	**2.38**

12. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	**Year ended 31.03.2016**	**Year ended 31.03.2015**
Opening Balance	111.35	123.87
Add : Received during the period	-	-
: Interest credited during the period	8.87	9.42
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	12.75	21.94
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
Closing Balance	**107.47**	**111.35**

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP.

Amounts received from the 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-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	**Amount recoverable from borrowers & payable to GOI**		**R – APDRP Grant**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	Year ended 31.03.2016	**Year ended 31.03.2015**	**Year ended 31.03.2016**	**Year ended 31.03.2015**	**Year ended 31.03.2016**	**Year ended 31.03.2015**
A. GoI Loan under R-APDRP (Principal)						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-

Closing Balance (A)	**8,230.45**	**7,687.84**	-	-	-	-
B. Interest Accrued but not due (Int. earned on FD)	NA					
C. Interest on loan under R-APDRP			NA			
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				
Additions During the period	182.27	16.59				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
Interest on loan under R-APDRP (C) = (i + ii)	**2,278.88**	**2,567.57**				
D. Accumulated Moratorium Interest			NA			
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(34.07)	1.51				
Closing Balance (D)	**999.68**	**38.85**				
E. Interest on Accumulated Moratorium Interest			NA			
(i) Accrued but not due						
Opening Balance	0.15	1.42				
Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**62.48**	**1.33**				
F. **Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest**			**NA**			
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						

Opening Balance	0.02	0.00				
Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)	**11.61**	**0.12**				
Closing Balance (A+B+C+D+E+F)	**11,583.10[1]**	**10,295.71**		-	-	-

[1] Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016 to MoP, GoI. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to GoI under R-APDRP (Note Part A 4).

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalising the R– APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below: (₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	31.03.2015
Nodal agency fee[1]	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
Total	**23.65**	**4.82**	**255.74**	**232.09**

[1]Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

GoI has launched IPDS for completion of targets laid down under R-APDRP for XIIth and XIIIth Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme 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 guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	0.00
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
Closing Balance	**358.70**	**-**	**-**	**50.00**	**-**	**0.01**

13. Asset classification and Provisioning:

A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, GoI. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Reschedulement / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.

B) For asset classification**,** in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:–

(i) a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,

(ii) a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and

(iii) a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.

	Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31st March of the respective financial year. (iv) During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more. C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018. Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.
14.	For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI. In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:- (i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity, (ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and (iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.
15.	For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value. For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:- (i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R,

(ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and

(iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above.

As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by 31.03.2016, 31.03.2017 and 31.03.2018 respectively. Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	199,138.19	110.85	597.41	1,94,627.13	17.15	486.57
(ii)	Restructured Standard Assets[(1)]	32,262.98	564.77	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	366.83	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	327.47	721.98	1,315.02	150.76	394.52
(v)	Loss Assets	248.28	239.36	248.28	8.92	0.00	8.92
(B) Other Assets and provision thereon							
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	Grand Total	**2,38,921.38**	**1,609.32**	**3,185.64**	**2,17,686.39**	**842.91**	**1,576.34**

(1) R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S. N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April,01 2015	No. of borrowers	Nil					14	1	3	-	**18**	14	1	3	-	**18**
		Amount outstanding (Restructured facility)						20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88

		Amount outstanding (Other facility)		-	-	169.78	-	169.78	-	-	169.78	-	169.78
		Provision Thereon		564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63
2	Movement of balance in account appearing in opening balance	No. of borrowers	Nil	10	-	2	-	12	10	-	2	-	12
		Amount outstanding (Restructured facility)		2,113.48	-	192.70	-	2,306.18	2,113.48	-	192.70	-	2,306.18
		Amount outstanding (Other facility)		0.00	-	62.33	-	62.33	0.00	-	62.33	-	62.33
		Provision Thereon		73.97	-	110.70	-	184.67	73.97	-	110.70	-	184.67
3	Fresh restructuring during the year	No. of borrowers	Nil	5	-	-	-	5	5	-	-	-	5
		Amount outstanding (Restructured facility)		14,192.68	-	-	-	14,192.68	14,192.68	-	-	-	14,192.68
		Amount outstanding (Other facility)		-	-	-	-	0.00	0.00	-	-	-	0.00
		Provision Thereon		496.74	-	-	-	496.74	496.74	-	-	-	496.74
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil	-1	-	-	-	-1	-1	-	-	-	-1
		Amount outstanding (Restructured facility)		-1,457.04	-	-	-	-1,457.04	-1,457.04	-	-	-	-1,457.04
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-40.07	-	-	-	-40.07	-40.07	-	-	-	-40.07
6	Down	No. of	Nil	-3	2	1	-	-	-3	2	1	-	-

	gradation of restructured accounts during the year	borrowers											
		Amount outstanding (Restructured facility)		-3111.05	3034.42	76.63	-	-	-3111.05	3034.42	76.63	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22
7	Write-offs restructured accounts during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
8	Restructured accounts as on March 31, 2016	No. of borrowers	Nil	15	3	4	-	22	15	3	4	-	22
		Amount outstanding (Restructured facility)		32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70
		Amount outstanding (Other facility)		-	-	232.11	-	232.11	-	-	232.11	-	232.11
		Provision Thereon		1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88

18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any short fall 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2016 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 (0.21)	4.15 (3.63)	6.39 (5.06)

*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 3.00 crore
Cost decrease by 1% ₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures(1)	8.07	7.64
iii)	Mutual Funds	0.15	-
	Total	**19.97**	**18.65**

(1)As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
Future salary increase*	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

*The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	0.00

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	0.00

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	0.00

20. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	**Opening Balance (1)**	**Addition during the year (2)**	**Used during the year (3)**	**Reversals (4)**	**Closing Balance 5 = (1+2-3-4)**
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.86)	0.27 (0.21)	0.22 (0.99)	- (-)	0.13 (0.08)
Provision for super annuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	23.42 (20.66)	6.40 (5.06)	2.93 (2.30)	- (-)	26.89 (23.42)

Economic Rehabilitation Scheme for employee	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	10.90 (17.75)	9.22 (12.09)	8.89 (18.94)	-1.36 (0.00)	9.87 (10.90)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc.[(1)]	1,576.34 (733.43)	1,609.32 (842.91)	0.00 (0.00)	- (-)	3,185.66 (1,576.34)
Provision for dimunition in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.30 (32.33)	145.79 (117.49)	157.93 (35.52)	- (-)	102.16 (114.30)
Income Tax	6,211.19 (4,630.44)	2,822.26 (2,502.42)	1,519.87 (921.67)	- (-)	7,513.58 (6,211.19)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

[(1)] As detailed at Note Part – C 16.

21. (a) Details of gross amount required to be spent by the Company during the year

(₹ in crore)

Particulars	**FY 2015-16**	**FY 2014-15**
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	145.79	117.49
Carry forward from previous year	114.30	32.33
Gross amount required to be spent	260.09	149.82

(b) Amount spent during the year on: **(₹ in crore)**

		FY 2015-16			**FY 2014-15**		
S. No.	**Particulars**	**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						
	Sanitation / Waste Management / Drinking water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy	4.10	0.50	4.60	14.05	-	14.05

	efficient LED lighting)						
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
	Total (ii)	**157.17**	**0.76**	**157.93**	**34.93**	**0.59**	**35.52**
	Grand Total (i) and (ii)			**157.93**			**35.52**

c) Details of related party transactions as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.

e) During the year ended 31.03.2016, an amount of ₹ 192.13 crore (Previous year ₹ 49.90 crore) has been disbursed against CSR activities.

22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

S.No.	**Significant Accounting Policy**		**Modifications**
	No.	**Title**	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 6.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	3.1, 3.2 and 3.4	Tangible assets / Depreciation	Term “Fixed assets” replaced with “Tangible assets” to align with the assets dealt under the policy i.e. Tangible Assets.
4.	3.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	4.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	6	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading “Provisions / write off against Loans and Advances” has also been suitably modified.
7.	7	Foreign Currency Transactions	Heading “Foreign Exchange Transactions” has been substituted with “Foreign Currency Transactions” to bring in clarity.
8.	9	Accounting of GoI Schemes	Para 9.2 deleted to remove redundancy.
9.	12.1 and 12.2	Employee Benefits	The word “(Revised)” suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23.	Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets	5	0%

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.

24.	The Company has no outstanding liability towards Micro, Small and Medium enterprises.
25.	Leasehold land is not amortized, as it is a perpetual lease.
26.	The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI. The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.
27.	As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.
29.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	18.29	11.25
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	(0.07)	(0.25)
(ii) Lease income	(68.73)	(72.19)

(iii) Amortization	(0.47)	(0.60)
(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)
Net Deferred Tax liabilities (-)/Assets (+)	**(302.06)**	**(189.25)**

30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	**During year ended 31.03.2016**	**During year ended 31.03.2015**
Net Profit after tax used as numerator (₹ in crore)	6,113.48	5,959.33
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each(basic) (₹)	46.31	45.15
Effect of outstanding Stock Options (₹)	-	0.00
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.31	45.15

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	**Year ended 31.03.2016**			**Year ended 31.03.2015**		
	% of share capital	**Per equity share (₹)**	**Amount (₹ in crore)**	**% of share capital**	**Per equity share (₹)**	**Amount (₹ in crore)**
First Interim dividend	88%(1)	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45%(2)	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
Total Dividend	**139%**	**13.90**	**1,834.86**	**91%**	**9.10**	**1,201.24**

(1)Declared by Board of Directors in their 341st meeting held on 16.12.2015 and paid on 04.01.2016.

(2)Declared by Board of Directors in their 343rd meeting held on 09.02.2016 and paid on 24.02.2016.

(B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	**First Interim Dividend**		**Second Interim Dividend**		**Final Dividend**	
Year to which the dividend relates	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776

of ₹ 10 each						
Gross amount of Dividend (₹ in crore)	1.07	0.61	0.67	NA	NA	0.05

32. Other key financial parameters:

Description	As at 31.03.2016	As at 31.03.2015
Debt Equity Ratio	5.61	5.83
Net worth (₹ in crore)	35,766.03	32,219.21

33. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

	Items	As at 31.03.2016	As at 31.03.2015
(i)	Capital Fund - a. Tier I (₹ in crore)	33,217.38	30,099.55
	- b. Tier II (₹ in crore)	6,224.90	6,011.08
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)	1,94,558.46	1,77,542.35
(iii)	CRAR	20.27%	20.34%
(iv)	CRAR – Tier I Capital	17.07%	16.95%
(v)	CRAR – Tier II Capital	3.20%	3.39%
		During the year ended 31.03.2016	**During the year ended 31.03.2015**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

34. **Additional disclosures in accordance with RBI directions on Corporate Governance**

(A) **Reference may be made to Note Part - B for Significant Accounting Policies.**

(B) **Capital**

Reference may be made to Note Part C - 33 for CRAR.

(C) **Investments**

(₹ in crore)

Sl. No.	Description			As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,774.79	852.38
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	97.32	1.06
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	2,677.47	851.32
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		1.06	0.00
	(ii)	Add : Provisions made during the year		96.26	1.06
	(iii)	Less : Write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		97.32	1.06

(D) **Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular		As at 31.03.2016		As at 31.03.2015	
			Currency Derivatives	**Interest Rate Derivatives**	**Currency Derivatives**	**Interest Rate Derivatives**
(i)	Derivatives (Notional Principal Amount)					
	For hedging[1]		939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	6.54	125.42	12.86	86.05
	b)	Liability (-MTM)	181.39	3.70	294.66	43.92
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[2]		10,070.22	8,587.86	8,514.73	6,292.68

(1) Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

(2) Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

(E) **Disclosures related to Securitisation**

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).

II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

(F) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	**Up to 30 days**	**Over 1 month & up to 2 Months**	**Over 2 months & up to 3 Months**	**Over 3 months & up to 6 Months**	**Over 6 months & up to 1 year**	**Over 1 year & up to 3 years**	**Over 3 years & up to 5 years**	**Over 5 years**	**Total**
Deposits	-	-	-	-	-	-	-	-	-
Advances [1]	3,124.16	396.04	1,069.45	20,866.40	8,596.10	36,410.72	41,260.26	126,897.47	**238,620.60**
Investments[2]	0.00	0.00	0.00	0.00	410.74	0.00	0.00	2,266.73	**2,677.47**
Borrowings[3]	9,366.68	9,350.00	3,393.00	4,818.60	7,277.83	55,701.03	36,312.50	63,859.11	**190,078.75**

Foreign Currency assets	5.14	0.00	0.00	12.23	17.37	5.14	144.41	115.31	**299.60**
Foreign Currency liabilities	4.78	0.00	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	**10,775.59**

(1)Rupee Loan Assets
(2)Net of provision
(3)Rupee Liabilities

(G) **Exposures**

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	**Description**	**Amount as at 31.03.2016**	**Amount as at 31.03.2015**
(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);	869.64	844.70
(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;	Nil	Nil
(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;	Nil	1,076.71
(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);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil

(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
	Total Exposure to Capital Market	**2,619.92**	**4,026.91**

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2015-16 and FY 2014-15.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2016 (Previous year Nil).

(H) Registration obtained from other financial sector regulators

Nil. .

(I) **Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by GoI.

(J) **Credit rating**

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2016:

Sl. No.	**Rating Agency**	**Rating**	**Outlook**
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable

3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)

(K) **Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) **Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.

(N) **Provisions and Contingencies**

Reference may be made to Note Part C - 20 for provisions and contingencies.

(O) **Draw Down from Reserves**

Nil (Previous year refer note Part A-2)

(P) **Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Advances to 20 largest borrowers	1,49,625.35	1,34,468.69
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.63%	61.77%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers / customers	2,10,983.79	2,02,132.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.43%	55.77%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) **Movement of NPAs in respect of Loan Assets**

(₹ In Crore)

Sl. No.	Description		Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)		2.55	0.93
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	2,533.31	1,331.54
	(b)	Additions during the year	8,385.58	2,548.77
	(c)	Reductions during the year	(3,399.85)*	(1,347.00)
	(d)	Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs			
	(a)	Opening balance	2,008.96	1,068.48
	(b)	Additions during the year	7,111.93	2,265.41
	(c)	Reductions during the year	(3,059.87)*	(1,324.93)
	(d)	Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	524.35	263.06
	(b)	Provisions made during the year	1,273.66	283.36
	(c)	Write-off / write-back of excess provisions	(339.99)*	(22.07)
	(d)	Closing balance	1,458.02	524.35

*Reference may be made to Note Part –C 18.

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) **Customer Complaints for FY 2015-16**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

35. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide

	finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
36.	Figures have been rounded off to the nearest crore of rupees with two decimals.
37.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

FY 2016-17
Note Part – C
Other Notes on Accounts

1. 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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2017	As at 31.03.2016
(i)	Guarantees issued in domestic currency	190.11	226.48
(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	1,640.56	403.07
	Total	**1,830.67**	**629.55**

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 40.53 crore (Previous year ₹ 45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹ 23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.

2.2 Other Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year Nil).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
1.	Opening Balance	95.39$	78.50
2.	Addition during the year	23.90	17.65
3.	Reversal during the year	(0.90)	(0.76)
4.	Closing Balance	118.39*	95.39$

* Pertaining to Assessment Year 2001-02 to 2014-15.
$ Pertaining to Assessment Year 2001-02 to 2013-14.

4. A. The Company is creating Debenture Redemption Reserve (DRR) 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.

B. 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 borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	-	0.30
(iv)	Training Expenses	0.29	0.26
B.	**Earning in foreign currency**	-	-

*excluding withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
Total		**6,405.68**		**10,070.22**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 291.83 crore (Previous year USD / JPY leg USD 105 million / ₹ 701.09 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 647.56 crore (Previous year debit balance ₹ 739.74 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the `Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-11 but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions mentioned in the Guidance Note, an amount of ₹ 74.35 crore (net of Deferred Tax Liability of ₹ 39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹ 178.15 crore.

6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Shri Rajeev Sharma, CMD and CEO	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014#

Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹ 3.50 crore (Previous year ₹ 2.36 crore). Loans & Advances given to KMP is ₹ 0.50 crore (Previous year ₹ 0.39 crore) as on 31.03.2017.

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2017)	% of ownership as at 31.03.2017	Amount as at 31.03.2017 (₹ in crore)	Amount as at 31.03.2016 (₹ in crore)
(a)	**Subsidiary Companies (i)**					
(i)	PFC Consulting Limited (PFCCL)(ii)	09.04.2008	50,000	100%	0.05	0.05
(ii)(a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) (iii)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii)(b)	PFCGEL (Preference Shares) (iii)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS)(ii)	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP)(iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	Sub-Total (A)				**300.20**	**300.20**
(b)	**Subsidiary Companies promoted as SPVs for UMPPs (v)**					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power	05.09.2006	50,000	100%	0.05	0.05

	Limited					
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited (TAMPL) [(vi)]	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50,000	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	0.05
	Sub-Total (B)				**0.75**	**0.75**
(c)	**Joint venture Companies[(i)]**					
(i)	National Power Exchange Limited (NPEL)[(vii)]	-	-	-	-	2.19
(ii)	Energy Efficiency Services Limited (EESL)	21.01.2010 26.03.2013 21.08.2015 25.04.2016	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000	31.71%	146.50	47.50
	Sub-Total (C)				**146.50**	**49.69**
	TOTAL [(viii)] (A+ B+ C)				**447.45**	**350.64**

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

(iii) The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9th August 2016 which is under progress.

(iv) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(v) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

(vi) MoP vide its OM dated 21st June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

(vii) Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹ 1.21 crore in July 2016 as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹ 1.06 crore has been reversed and loss on disposal of investments of ₹ 0.98 crore has been recognised. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

(viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities except NPEL where maximum amount during the year stood at ₹ 2.19 crore gross of provision for diminution.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2017 and income and expenses for the period in respect of joint venture entities based on financial statements are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2017			As at 31.03.2016		
		NPEL#	EESL@	Total	NPEL	EESL	Total
	Ownership (%)	**-**	**31.71**		**16.66**	**28.79**	
A	Assets						
	Non-Current assets	NA	336.90	**336.90**	0.01	180.87	**180.88**
	Current assets	NA	510.19	**510.19**	1.22	253.66	**254.88**
	Total	NA	**847.09**	**847.09**	**1.23**	**434.53**	**435.76**
B	Liabilities						
	Non-Current Liabilities	NA	263.59	263.59	0.00	65.89	**65.89**
	Current Liabilities	NA	399.32	399.32	0.03	248.82	**248.85**
	Total	NA	**662.91**	**662.91**	**0.03**	**314.71**	**314.74**
C	Contingent liabilities	NA	11.74	**11.74**	0.00	-	0.00
D	Capital commitments	NA	103.95	**103.95**	0.00	84.24	84.24
		For the Year ended 31.03.2017			**For the Year ended 31.03.2016**		
E	Total Income	NA	410.10	**410.10**	0.09	205.68	**205.77**
F	Total Expenses	NA	386.08	**386.08**	0.00	191.40	**191.40**

Reference may be made to footnote (vii) of Part C – 7(A) of notes on accounts.

@ Based on unaudited provisional financials.

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017*	As at 31.03.2016*	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
PFC Green Energy Limited	0.11	0.24	0.36	0.43
PFC Capital Advisory Services Limited	0.03	0.19	0.20	0.23
Cheyyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
PFC Consulting Limited	0.00	0.00	0.79	0.00
Total	**395.76**	**313.77**	**398.63**	**357.65**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017	As at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Consulting Limited	1.06	2.70	6.40	2.70
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.72
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
PFC Green Energy Limited	0.00	0.00	0.51	0.00
PFC Capital Advisory Services Limited	0.04	0.00	0.04	0.00
Deoghar Mega Power Limited	14.02	0.00	14.02	0.00
Total	**442.42**	**383.83**	**448.27**	**383.83**

(iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2017	Outstanding as at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Green Energy Limited	252.69	11.58	255.06	11.58

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).

9. A. Major Investments made during the year:

i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹ 10/- per share under Offer for Sale by GoI. The shares have been subscribed at a cost of ₹ 21.78/- per share including brokerage and other statutory charges aggregating to ₹ 567.50 crore.

ii) The Company has subscribed to 9,90,00,000 fully paid equity shares of EESL of face value of ₹ 10/- per share as on 31.03.2016 and the same have been allotted on 25.04.2016.

B. Conversion of Debt into Equity:

i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹ 10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹ 1/-.

Further, 6,61,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹ 66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹ 46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹ 1.

As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.

ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹ 81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹ 20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹ 63.88 crore (Previous year ₹ 60.71 crore), after transferring exchange difference of ₹ 12.56 crore (Previous year ₹ 13.48 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) <u>Asset under finance lease after 01.04.2001:</u>

(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	As at 31.03.2017	As at 31.03.2016
Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78
Present value of lease payments recoverable	194.32	204.09
Unearned finance income	**141.47**	**160.69**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	27.11
Later than one year and not later than 5 years	107.10	107.54
Later than five years	201.58	230.13
Total	**335.79**	**364.78**
Break up of present value of lease payments recoverable:-		
Not later than one year	8.62	7.89
Later than one year and not later than 5 years	43.17	39.52
Later than five years	142.53	156.68
Total	**194.32**	**204.09**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.89 crore as on 31.03.2017 (Previous year ₹ 1.33 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.45 crore as on 31.03.2017 (Previous year ₹ 3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 3.74 crore as on 31.03.2017 (Previous year ₹ 4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2017 (Previous year ₹ 355.30 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.61 crore (Previous year ₹ 4.65 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 0.50 crore (Previous year ₹ 0.50 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2017	Year ended 31.03.2016
Not later than one year	3.69	3.00
Later than one year and not later than 5 years	1.02	1.05
Later than 5 years	-	-
Total	**4.71**	**4.05**

12. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 8.67 crore and ₹ 93.56 crore as on 31.03.2017 (Previous year ₹ 7.80 crore and ₹ 87.47 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	**Year ended 31.03.2017**	**Year ended 31.03.2016**
Opening Balance	107.47	111.35
Add : Received during the period	-	-
: Interest credited during the period	9.06	8.87
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	6.84	12.75
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
Closing Balance	**109.69**	**107.47**

(B) 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 the 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-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	**Amount recoverable from borrowers & payable to GOI**		**R – APDRP Grant**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	Year ended 31.03.2017	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**	**Year ended 31.03.2017**	**Year ended 31.03.2016**
A. GoI Loan under R-APDRP (Principal)						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	667.82	1349..56	667.82	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1349.56)	(667.82)	-	-
Closing Balance (A)	**9,222.23**	**8,230.45**	-	-	-	-
B. Interest Accrued but not due (Int. earned on FD)		-	NA			-
C. Interest on loan under R-APDRP		-	NA			
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				

Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+)Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
Interest on loan under R-APDRP (C) = (i + ii)	**3,006.70**	**2,278.88**				
D. Accumulated Moratorium Interest			NA			
Opening Balance	999.68	38.85				
(+)Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
Closing Balance (D)	487.48	**999.68**				
E. Interest on Accumulated Moratorium Interest			NA			
(i) Accrued but not due						
Opening Balance	7.26	0.15				
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99				
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)				
Closing Balance (i)	2.10	7.26				
(ii) Accrued and due						
Opening Balance	55.22	1.18				
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)				
Closing Balance (ii)	24.33	55.22				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**26.43**	**62.48**				
F. **Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest**			**NA**			
(i) Interest on Interest						
Opening Balance	4.63	0.05				
Additions During the period	14.86	4.64				
Recoveries / refunds / changes during the period	(16.31)	(0.06)				
Closing Balance (i)	3.18	4.63				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						
Opening Balance	1.80	0.02				
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)				
Closing Balance (ii)	1.38	1.80				
(iii) Penal Interest						
Opening Balance	5.18	0.05				
Additions During the period	7.65	5.21				
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)				
Closing Balance (iii)	1.80	5.18				
Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)	**6.36**	**11.61**				
Closing Balance (A+B+C+D+E+F)	**12,749.20**	**11,583.10**		-	-	-

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalizing the R–APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the

Company is given below:

(₹ in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016	Accumulated up-to year ended 31.03.2017	Accumulated up-to year ended 31.03.2016
Nodal agency fee[(1)]	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
Total	**24.98**	**23.65**	**280.72**	**255.74**

[(1)]Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme 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 guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
Closing Balance	**2,561.01**	**358.70**	**-**	**-**	**-**	**-**

13 Government of India Fully Serviced Bonds

For meeting GOI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹ 5,000 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 O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

14	A. Asset classification and Provisioning: 1) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below: 1. Assets classification norms in line with RBI's letter dated 03.10.2016: i. loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more, ii. NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and iii. NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months. 2. Restructuring Norms: (i) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans. Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018. (ii) As regard implementation of RBI restructuring norms (shifting from MoP, GoI approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022. 2) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, GoI approved restructuring norms were applicable). b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A (b) (i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning. B. Credit Concentration Norms For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.
15.	Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, GoI approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues as on 31.03.2017: a) Company has categorised standard assets amounting to ₹ 35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,403.79 crore. b) Company has classified two loan assets as NPA having amount outstanding of ₹ 8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the

	year, un-realised income on these loans amounting to ₹ 163.71 crore has been reversed and additional provision of ₹ 799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 963.16 crore. c) Company has classified three loan assets as NPA having amount outstanding of ₹ 4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 103.04 crore has been reversed and additional provision of ₹ 401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 504.22 crore. d) Company has classified one loan asset as NPA having amount outstanding of ₹ 5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹ 142.03 crore has been reversed and additional provision of ₹ 333.14 crore has been made on this loan. Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹ 118.59 crore has been reversed and additional provision of ₹ 489.62 crore has been made on such other loans having amount outstanding of ₹ 5,073.73 crore as on 31.03.2017. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,083.38 crore. The profit before tax for the year has decreased by ₹ 3,954.55 crore on account of para a to d above.
16.	Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	159,382.44	-39.57	557.84	199,138.19	110.85	597.41
(ii)	Restructured Standard Assets(1)	55,440.62	1,227.03	2,356.23	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56(2)	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.25	2,393.15	327.47	721.98
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
(B) Other Assets and provision thereon							
(i)	Other Assets	16.40	15.39	16.40	1.17	0.04	1.01
	Grand Total	**245,541.67**	**5,101.08**	**8,286.72**	**238,921.38**	**1,609.32**	**3,185.64**

(1) R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹ 19,445.92 crore in private sector and ₹ 35,994.70 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector).

(2) Includes loans amounting to ₹ 23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

17.	Basis of secured / un-secured categorization of loan assets: a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report. b) In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.
18.	Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below: (₹ in crore)

S. N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April,01 2016	No. of borrowers	Nil					15	3	4	-	**22**	15	3	4	-	**22**
		Amount outstanding (Restructured facility)						32,262.98	3,111.05	1,414.67	-	**36,788.70**	32,262.98	3,111.05	1,414.67	-	**36,788.70**
		Amount outstanding (Other facility)						-	-	232.11	-	**232.11**	-	-	232.11	-	**232.11**
		Provision Thereon						1,129.20	311.11	520.57		**1,960.88**	1,129.20	311.11	520.57	-	**1,960.88**
2	Movement of balance in account appearing in opening balance (including Pre-payment of loan)	No. of borrowers	Nil					2		2		**4**	2		2		**4**
		Amount outstanding (Restructured facility)						(1,867.82)	-	(63.58)	-	**(1,931.40)**	(1,867.82)	-	(63.58)	-	**(1,931.40)**
		Amount outstanding (Other facility)								73.99		**73.99**	-	-	73.99	-	**73.99**
		Provision Thereon						(65.37)		362.53		**297.15**	(65.37)	-	362.53	-	**297.15**
3	Categorised as restructured during the year	No. of borrowers	Nil					11	-	-		**11**	11	-	-		**11**
		Amount outstanding (Restructured facility)						36,445.60	-	-		**36,445.60**	36,445.60	-	-	-	**36,445.60**
		Amount outstanding (Other facility)						-	-	-		-	-	-	-	-	-
		Provision Thereon						1,548.94	-	-		**1,548.94**	1,548.94	-	-	-	**1,548.94**
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)						-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil					(2)				**(2)**	(2)	-	-	-	**(2)**
		Amount outstanding (Restructured facility)						(2,857.41)				**(2,857.41)**	(2,857.41)	-	-	-	**(2,857.41)**
		Amount outstanding (Other facility)						-		-		-	-	-	-	-	-
		Provision Thereon						(100.01)		-		**(100.01)**	(100.01)	-	-	-	**(100.01)**

6	Down gradation of restructured accounts during the year	No. of borrowers	Nil	(1)	(2)	3		-	(1)	(2)	3	-	-
		Amount outstanding (Restructured facility)		(8,542.74)	4,779.09	3,111.05		-	(8,542.74)	4,779.09	3,111.05		-
		Amount outstanding (Other facility)						-					-
		Provision Thereon		(299.00)	477.91	745.56		**989.73**	(299.00)	477.91	745.56		**989.73**
7	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-
		Amount outstanding (Restructured facility)						-	-	-	-	-	-
		Amount outstanding (Other facility)						-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-
8	Restructured accounts as on March 31, 2017	No. of borrowers	Nil	21	1	7		**29**	21	1	7		**29**
		Amount outstanding (Restructured facility)		55,440.62	7,890.14	4,462.14		**68,445.49**	55,440.62	7,890.14	4,462.14		**68,445.49**
		Amount outstanding (Other facility)		-		306.10		**306.10**	-		306.10		**306.10**
		Provision Thereon		2,356.23	789.02	1,662.61		**4,873.12**	2,356.23	789.02	1,662.61		**4,873.12**

19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made till the date of reclassification was reversed during the previous year.

The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.

Subsequent to reclassification of the said account in the previous year,

(i) interest / income of ₹ 413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;

(ii) provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹ 163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹ 148.82 crore);

(iii) provision treating the account as doubtful, on the loan balance of ₹ 4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹ 4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹ 815.50 crore (previous year ₹ 276.37 crore).

20. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the F.Y. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹ 17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. 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.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	**Gratuity**	**PRMS**	**Leave**
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Interest cost on benefit obligation	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)

Expected return on plan assets	-1.84 (-1.72)	-1.01 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.23 (-1.11)	2.84 (2.36)	2.41 (2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.41 (0.27)	4.04 (4.15)	7.49 (6.39)

*During the year, the expenses include ₹ 0.09 crore (previous year ₹ 0.03 crore), ₹ 0.43 crore (previous year ₹ 0.55 crore) and ₹ 0.29 crore (previous year ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)
Fair value of plan assets as at 31.03.2017 (ii)	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)
Net asset / (liability) recognized in the Balance Sheet	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Interest cost	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Benefits paid	-0.98 (-0.63)	-1.09 (-0.90)	-3.70 (-2.93)
Net actuarial (gain)/loss on obligation	-0.29 (-1.09)	2.87 (2.36)	2.41 (2.18)
Present value of the defined benefit obligation as at 31.03.2017	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47 (19.14)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.84 (1.72)	1.01 (0.00)	0.00 (0.00)
Contributions by employer	0.47 (0.21)	17.93 (0.00)	0.00 (0.00)
Benefit paid	-0.98 (-0.63)	-0.83 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	-0.06 (0.02)	0.04 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)

Particulars	PRMS	Service and Interest Cost

Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

vi) During the year, Company has provided liability of ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil (Previous year ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore (Previous year ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.21 crore (Previous year ₹ 0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.59 crore (Previous year ₹ 0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (Previous year ₹ 0.06 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures[1]	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	Total	**21.12**	**19.97**

[1]As at 31.03.2017, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – Gratuity	7.50%
Future salary increase*	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

(₹ in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.07	0.00
ii)	Corporate bonds / debentures [1]	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	Total	**17.58**	**0.00**

[1]As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.

Principal assumptions used for actuarial valuation are:-

Method used	**Projected Unit Credit Method**
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

[1]Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	22.95	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.21)	(0.27)	(0.21)	(0.86)	(1.48)
Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹ 1.16 crore (Previous year 0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.79 crore (Previous year ₹ 1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹ 4.97 crore (Previous year 2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	30.68	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ in crore)

LSA	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ in crore)

ERS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ in crore)

Baggage Allowance	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21.	Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	17.83 (14.58)	4.04 (4.15)	18.09 (0.90)	0.00 (-)	3.78 (17.83)
Pay revision	- (-)	9.94 (-)	- (-)	- (-)	9.94 (-)
Gratuity	0.13 (0.08)	1.41 (0.27)	0.33 (0.22)	- (-)	1.21 (0.13)
Provision for superannuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	26.89 (23.42)	7.49 (6.40)	3.70 (2.93)	- (-)	30.68 (26.89)
Economic Rehabilitation Scheme for employee	1.50 (1.24)	0.21 (0.33)	0.08 (0.07)	0.00 (-)	1.63 (1.50)
Bonus / Incentives	9.87 (10.90)	4.83 (9.22)	9.19 (8.89)	-0.07 (-1.36)	5.58 (9.87)
Baggage Allowances	0.11 (0.10)	0.02 (0.01)	0.00 (0.00)	0.00 (-)	0.13 (0.11)
Service Award	4.74 (4.49)	0.59 (0.48)	0.34 (0.23)	0.00 (-)	4.99 (4.74)
Provision on loan assets etc.[1]	3,185.64 (1,576.32)	5,101.08 (1,609.32)	- (0.00)	- (-)	8,286.72 (3,185.64)
Provision for diminution in value of investment	97.32 (1.06)	86.59 (96.26)	0.00 (0.00)	94.10 (-)	89.81 (97.32)
CSR	102.16 (114.30)	166.15 (145.79)	168.11 (157.93)	- (-)	100.20 (102.16)
Income Tax	7,513.58 (6,211.19)	3,075.08 (2,822.26)	2,050.04 (1,519.87)	- (-)	8,538.62 (7,513.58)
Proposed Final Dividend	79.20 (79.20)	0.00 (79.20)	79.20 (79.20)	0.00 (-)	0.00 (79.20)
Proposed Corporate Dividend Tax	16.12 (16.12)	0.00 (16.12)	16.12 (16.12)	0.00 (-)	0.00 (16.12)
Interim Dividend	- (-)	1,320.04 (1,755.66)	- (1,755.66)	- (-)	1,320.04 (-)
Corporate Dividend Tax on Interim dividend	-	268.73 (356.74)	201.55 (356.74)	- (-)	67.18 (-)

[1]As detailed at Note Part – C 16.

22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	166.15	145.79
Carry forward from previous year	102.16	114.30
Gross amount required to be spent	268.31	260.09

(b) Amount spent during the year on CSR activities: **(₹ in crore)**

		FY 2016-17			FY 2015-16		
S. No.	**Particulars**	**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	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iie)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
	Total (ii)	**166.91**	**1.20**	**168.11**	**157.17**	**0.76**	**157.93**
	Grand Total (i) and (ii)			**168.11**			**157.93**

c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.

e) During the year ended 31.03.2017, an amount of ₹ 119.48 crore (Previous year ₹ 192.13 crore) has been disbursed against CSR activities.

23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

(₹ in crore)

S. No.	**Significant Accounting Policy**		**Modifications**	**Impact on PBT [(+) increase / (-) decrease]**
	No.	**Title**		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms[1] as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms.[1]	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms.[1]	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms.[1]	Nil
5.	2.7	Prior period	Portion related to Prior period expenses / Income	Nil

		expenses / Income	deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	
6.	5.1	Quoted Current Investments	Modified to align with the RBI prudential norms[1] requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	5.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms.[1]	(46.27)
8.	5.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	6.1 & 6.4	Asset Classification	6.1.2 (i) Modified to align with the RBI prudential norms.[1] 6.1.2 (ii) & 6.4 Modified to align with RBI Restructuring Norms / Directions[3]	Nil (2,550.76)
10.	6.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms[1] resulting in – i) additional pro-rata provision on standard assets ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	 (79.69) 707.80
11.	6.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹ 1,403.79 crore as explained at Note Part C-15 (a).[3]	(1549.64)
12.	8	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f 01.04.2016. [2]	178.15
Total				**(3,248.34)**

[1] Adoption of RBI norms (Refer Note Part C-14).

[2] Reference may be made to Note Part-C 5(E) for impact on opening reserves.

[3] Reference may be made to Note Part-C-15.

24. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets	5	0%

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

25. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

26. Leasehold land is not amortized, as it is a perpetual lease.

27.	As required under Section 125 of the Companies Act, 2013, ₹ 4.58 crore, (Previous Year ₹ 0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹ 2.03 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹ 1,482.46 crore is awaited.
29.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2017	As at 31.03.2016
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	17.30	18.29
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	0.19	(0.07)
(ii) Lease income	(66.00)	(68.73)
(iii) Amortization	(0.24)	(0.47)
(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)
(v) Net MTM Receivable from bank against derivative*	(101.00)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(250.51)**	**(302.06)**

30.	During the year, Government of India (GoI) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of GoI in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.
31.	Shareholders in their Annual General Meeting held on 19th August 2016 have accorded approval: (a) to increase the authorized share capital of the Company from ₹ 2,000 crore divided into 2,00,00,00,000 equity shares of ₹ 10/- each to ₹ 10,000 crore divided into 10,00,00,00,000 equity shares of ₹ 10/- each, and (b) for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account. Consequently, the Board of Directors of the Company in its meeting held on 1st September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹ 1,320.04 crore (132,00,40,704 equity shares of ₹ 10 each) to ₹ 2,640.08 crore (264,00,81,408 no of equity shares of ₹ 10 each).
32.	In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2017	During year ended 31.03.2016[1]
Net Profit after tax used as numerator (₹ in crore)	2,126.39	6,113.48
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704
Earning per equity share, face value ₹ 10 each(basic) (₹)[1]	8.05	23.16
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)[1]	8.05	23.16

[1]Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.

33.	A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2017 is as under:

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	50%(1)	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20(2)
Total Dividend	**50%**	**5.00**	**1,320.04**	**139%**	**13.90**	**1,834.86**

(1) Declared by Board of Directors in their 359th meeting held on 24.03.2017 and paid on 07.04.2017.

(2) Paid on 01.09.2016.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹ 10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹ in crore)	206.61	152.88	NA	76.50	NA	10.52

34.	Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.55	5.61
Net worth (₹ in crore)	36,470.21	35,766.03

35.	Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2017	As at 31.03.2016
(i)	Capital Fund - a. Tier I (₹ in crore)	33,454.83	33,217.38
	- b. Tier II (₹ in crore)	6,369.90	6,224.90
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	206,567.92	1,94,558.46
(iii)	CRAR	19.28%	20.27%
(iv)	CRAR – Tier I Capital	16.20%	17.07%
(v)	CRAR – Tier II Capital	3.08%	3.20%
		During the year ended 31.03.2017	**During the year ended 31.03.2016**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

36.	The Company does not transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8th November, 2016 to 30th December, 2016.

37. **(I) Additional disclosures in accordance with RBI directions on Corporate Governance**

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Capital

Reference may be made to Note Part C - 35 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.			Description	As at 31.03.2017	As at 31.03.2016
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	3,680.94	2,774.79
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	89.81	97.32
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	3,591.13	2,677.47
		(b)	Outside India.		-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)		Opening balance	97.32	1.06
	(ii)		Add : Provisions made during the year	86.59	96.26
	(iii)		Less : Write-off / write-back of excess provisions during the year	94.10	-
	(iv)		Closing balance	89.81	97.32

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(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)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular		As at 31.03.2017		As at 31.03.2016	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)					
	For hedging[(1)]		2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	0.00	299.87	6.54	125.42
	b)	Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[(2)]		6,405.68	6,296.24	10,070.22	8,587.86

[(1)] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 6,164.60 crore (Previous year ₹ 7,164.60 crore)

[(2)] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 291.83 crore (Previous year covering USD / JPY ₹ 701.09 crore).

(E) Disclosures related to Securitization

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances [(1)]	3,655.60	614.22	615.82	8,240.92	19,525.29	39,071.21	38,282.20	1,35,259.88	**245,265.14**
Investments[(2)]	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	2,265.60	**3,591.13**
Borrowings[(3)]	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	**194,414.56**
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	**260.12**
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	**8,443.88**

[(1)]Rupee Loan Assets
[(2)]Net of provision
[(3)]Rupee Liabilities

(G) Exposures

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(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);	1,874.79	869.64
(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;	Nil	Nil
(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;	Nil	Nil
(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);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
Total Exposure to Capital Market		**4,653.33**	**2,619.92**

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

(H) Registration obtained from other financial sector regulators:

Nil.

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

(J) Credit rating

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.

(N) Provisions and Contingencies

Reference may be made to Note Part C-21 for provisions and contingencies.

(O) Draw Down from Reserves

Reference may be made to Note Part C – 31 and Note - Part A - 2.

(P) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.60%	62.63%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.23%	56.43%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

e. Sector-wise NPAs:

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In Crore)

Sl. No.		Description	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)		10.55	2.55
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	7,519.04	2,533.31
	(b)	Additions during the year	24,573.14	8,385.58
	(c)	Reductions during the year	1,389.97	3,399.85
	(d)	Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs			
	(a)	Opening balance	6,061.02	2,008.96
	(b)	Additions during the year	20,536.65	7,111.93
	(c)	Reductions during the year	1,251.70	3,059.87
	(d)	Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1458.02	524.35
	(b)	Provisions made during the year	4,036.50	1,273.66
	(c)	Write-off / write-back of excess provisions	138.27	339.99
	(d)	Closing balance	5,356.25	1,458.02

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2016-17

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

38. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

(₹ in Crore)

		Particulars	Amount as on 31.03.2017		Amount as on 31.03.2016	
		Liabilities Side	**outstanding**	**overdue**	**outstanding**	**overdue**
(1)	**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured	20,109.87	0.00	21,786.66	0.00
		: Unsecured	170,800.80	0.00	150,552.50	0.00
	(b)	(i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00
		(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00
	(c)	Commercial Paper	0.00	0.00	5,286.37	0.00
	(d)	Short Term Borrowings	2,400.79	0.00	2,285.20	0.00

				Principal Amount Outstanding as on 31.03.2017	Principal Amount Outstanding as on 31.03.2016
			Assets Side		
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**				
	(a)		Secured	168,251.79	147,738.28
	(b)		Unsecured	72,039.40	89,783.11
(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	194.32	204.09
(4)	**Break-up of Investments (Net of Provisions)**				
	Current Investments				
	1.		Quoted		
		(i)	Shares		
			(a) Equity	1,071.02	410.74
	2.		Unquoted		
		(i)	Shares		
			(a) Equity	254.51	0.00
	Long Term Investments				
	1.		Quoted		
		(i)	Shares		
			(a) Equity	12.00	12.00
		(ii)	Debentures and Bonds	1,800.00	1,800.00
	2.		Unquoted		
		(i)	Shares		
			(a) Equity*	247.45	149.58
			(b) Preference	200.00	200.00
		(ii)	Units of SIB Fund	6.15	6.15

(5) **Borrower group-wise classification of assets financed as in (2) and (3) above:**
(as per applicable provisioning norms)

		Category	Amount Net of Provisions (as on 31.03.2017)			Amount Net of Provisions (as on 31.03.2016)		
			Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.		Related Parties						
	(a)	Subsidiaries	0.00	496.18	496.18	0.00	202.04	202.04
	(b)	Other related parties	0.04	0.46	0.50	0.03	0.36	0.39
2.		Other than related parties	168,446.07	71,542.76	239,988.83	147,942.34	89,580.71	237,523.05
		Total	168,446.11	72,039.40	240,485.51	147,942.37	89,783.11	237,725.48

(6) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

		Category	As on 31.03.2017		As on 31.03.2016	
			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	437.91	300.95	348.86	300.95
	(b)	Companies in the same group*	183.86	146.50	61.01	48.63
2.		Other than related parties				
	(i)	Quoted	3,170.10	2,883.02	2,292.10	2,222.74
	(ii)	Unquoted	331.47	260.66	6.30	6.15
		Total	**4,123.34**	**3,591.13**	**2,708.26**	**2,578.47**

(7) **Other Information**

		Particulars	Amount (as on 31.03.2017)	Amount (as on 31.03.2016)
(i)		Gross Non-performing Assets		
	(a)	Other than related parties	30,718.61	7,520.19
(ii)		Net Non-performing Assets		
	(a)	Other than related parties	25,345.95	6,061.17
(iii)		Assets acquired in satisfaction of debt	341.10	0.00

*Book value as on 31.03.2016 excludes investment of ₹ 99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹ 10 of EESL (a JV Company).

$In case of negative break-up value, Nil value has been considered.

39. Additional disclosure flowing from RBI schemes for dealing with stressed assets:

A. Disclosures on Strategic Debt

Restructuring Scheme (accounts which are currently under the stand-still period)

{Figures in brackets ( ) are for previous year} **(Amount in ₹ Crore)**

No. of accounts where SDR has been invoked	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)

B. Disclosures on Change in Ownership outside SDR Scheme

{Figures in brackets ( ) are for previous year} **(Amount in ₹ Crore)**

No. of account s where banks have decided to effect change in owners hip	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on 31.03.2017 with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)

40.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
41.	Figures have been rounded off to the nearest crore of rupees with two decimals.
42.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

FY 2017-18
Note Part – C
Other Notes on Accounts

1. 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 as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	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	1,694.60	1,640.56
	Total	**1,848.35**	**1,830.67**

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 165.39 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

2.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for is ₹473.77 crore as on 31.03.2018 (Previous year Nil).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39$	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97*	118.39

* Pertaining to Assessment Year 2001-02 to 2015-16.
$ Pertaining to Assessment Year 2001-02 to 2014-15.

4. A. The Company is creating Debenture Redemption Reserve (DRR) 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.

B. 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 borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2018.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	0.30	-
(iv)	Training Expenses	0.35	0.29
B.	**Earning in foreign currency**	-	-

*including withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in crore	Millions in respective currency	₹ in crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
Total		**8,940.05**		**6,405.68**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore).

D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Shri Rajeev Sharma, CMD and CEO	with effect from 01.10.2016
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial)	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 3.45 crore (Previous year ₹ 3.50 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.50 crore).

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2018)	% of ownership as at 31.03.2018	Amount as at 31.03.2018 (₹ in crore)	Amount as at 31.03.2017 (₹ in crore)
(a)	**Subsidiary Companies (i)**					
(i)	PFC Consulting Limited (PFCCL)(ii)	09.04.2008	50,000	100%	0.05	0.05
(ii)(a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) (iii)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii)(b)	PFCGEL (Preference Shares) (iii)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS)(ii)	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP)(iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	Sub-Total (A)				**300.20**	**300.20**
(b)	**Subsidiary Companies promoted as SPVs for UMPPs (v)**					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited (CSPL)(vi)	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited (TAMPL)(vii)	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05

(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50,000	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	0.05
	Sub-Total (B)				**0.75**	**0.75**
(c)	**Joint venture Companies[(i)]**					
	Energy Efficiency Services Limited (EESL)	21.01.2010 26.03.2013 21.08.2015 25.04.2016	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000	31.71%	146.50	146.50
	Sub-Total (C)				**146.50**	**146.50**
	TOTAL [(viii)] (A+ B+ C)				**447.45**	**447.45**

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

(iii) In continuation to decision taken in meeting dated 09th August, 2016, Board of Directors of the Company in its meeting held on 29th September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.

(iv) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(v) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not required to be consolidated in terms of paragraph 11 of Accounting Standard-21.

(vi) MoP vide its OM dated 16th January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.

(vii) MoP vide its OM dated 21st June, 2016 has conveyed its approval for the winding up of TAMPL. The related proceedings are under way.

(viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2018 and income and expenses for the period ending 31.03.2018 in respect of EESL (Company's joint venture entity), based on unaudited provisional financial statements are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2018	As at 31.03.2017
	Ownership (%)	**31.71**	**31.71**
A	Assets		
	Non-Current assets	774.52	336.90
	Current assets	769.10	510.19
	Total	**1543.62**	**847.09**
B	Liabilities		
	Non-Current Liabilities	570.30	263.59
	Current Liabilities	770.15	399.32
	Total	**1340.45**	**662.91**
C	Contingent liabilities	68.65	11.74
D	Capital commitments	83.64	103.95
E	**Income & Expenses**	**For the Year ended**	
		31.03.2018	**31.03.2017**
	Total Income	461.78	410.10
	Total Expenses	438.66	386.08

8.	A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
PFC Green Energy Limited	0.12	0.11	0.12	0.36
PFC Capital Advisory Services Limited	0.00	0.03	0.03	0.20
Cheyyur Infra Limited	0.06	0.04	0.06	0.04
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
PFC Consulting Limited	0.00	0.00	0.84	0.79
Total*	**471.90**	**395.76**	**472.94**	**398.63**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Consulting Limited	6.50	1.06	6.50	6.40
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
PFC Green Energy Limited	0.00	0.00	0.00	0.51
PFC Capital Advisory Services Limited	0.00	0.04	0.04	0.04
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
Total	**465.51**	**442.42**	**466.18**	**448.27**

(iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2018	Outstanding as at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Green Energy Limited	268.41	252.69	275.06	255.06

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(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	As at 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
Unearned finance income	**133.83**	**141.47**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
Total	**328.15**	**335.79**
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
Total	**194.32**	**194.32**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.45 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.74 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2018 (Previous year ₹ 327.71 crore). 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.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.45 crore (Previous year ₹ 5.61 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 0.50 crore (Previous year ₹ 0.50 crore) are shown as office rent in Note Part A 17 – Other Expenses.

10. Implementation of GoI Schemes

(A) Subsidy 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 ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plan, 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, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Opening Balance	109.69	107.47
Add : Received during the period	-	-
: Interest credited during the period	9.32	9.06
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	3.01	6.84
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
Closing Balance	**116.00**	**109.69**

(B) 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 the 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-lended 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 ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

(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 subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).

	(C) 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 guidelines. Amount of GOI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017). 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.
11.	(a) As regards RBI Credit Concentration Norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities. (b) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.
12.	Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	228,107.39	780.43	1,338.27	159,382.44	(39.57)	557.84
(ii)	Restructured Standard Assets	24,104.70*	(952.06)	1,404.17	55,440.62	1,227.03	2,356.23
(iii)	Sub-standard Assets	17,350.52	(640.11)	1,735.05	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.05	944.20	3,652.45	6,677.81	1,986.27	2,708.25
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
(B) Other Assets and provision thereon							
(i)	Other Assets - NPA	2.51	(13.89)	2.51	16.40	15.39	16.40
	Grand Total	**2,78,917.27**	**560.83**	**8,847.55**	**245,541.67**	**5,101.08**	**8,286.72**

* ₹ 4,937.59 crore in private sector and ₹ 19,167.11 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 35,994.70 crore in Govt. sector).

13.	In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).
14.	Basis of secured / un-secured categorization of loan assets: a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report. b) In all other cases, secured / un-secured categorization is done on the basis of security status obtained from the lead lender.

15.	Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017	No. of borrowers	Nil					**21**	**2**	**7**	-	**30**	**21**	**2**	**7**	-	**30**
		Amount outstanding						**55,440.62**	**15,001.83**	**4,768.24**	-	**75,210.69**	**55,440.62**	**15,001.83**	**4,768.24**	-	**75,210.69**
		Provision Thereon						**2,356.23**	**1,500.18**	**1,662.61**		**5,519.02**	**2,356.23**	**1,500.18**	**1,662.61**		**5,519.02**
2	Categorised as restructured during the year	No. of borrowers	Nil					5	-	-	-	**5**	5	-	-	-	**5**
		Amount outstanding						709.42	-	-	-	**709.42**	709.42	-	-	-	**709.42**
		Provision Thereon						35.47	-	-	-	**35.47**	35.47	-	-	-	**35.47**
3	Up gradations to restructured standard category during the year	No. of borrowers	Nil					2	(2)	-	-	-	2	(2)	-	-	-
		Amount outstanding						12,016.83	(15,001.83)	-	-	**(2,985.00)**	12,016.83	(15,001.83)	-	-	**(2,985.00)**
		Provision Thereon						600.84	(1,500.18)	-		**(899.34)**	600.84	(1,500.18)	-		**(899.34)**
4	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY (including Pre-payment of loan)	No. of borrowers	Nil					(10)	-	-	-	**(10)**	(10)	-	-	-	**(10)**
		Amount outstanding						(34,774.80)	-	-	-	**(34,774.80)**	(34,774.80)	-	-	-	**(34,774.80)**
		Provision Thereon						(1,481.84)	-	-	-	**(1,481.84)**	(1,481.84)	-	-	-	**(1,481.84)**
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil					(6)	4	2	-	-	(6)	4	2	-	-
		Amount outstanding						(10,558.39)	9,069.61	2,121.12	-	**632.33**	(10,558.39)	9,069.61	2,121.12	-	**632.33**
		Provision Thereon						(448.73)	906.96	424.22	-	**882.45**	(448.73)	906.96	424.22	-	**882.45**
6	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						0.00	-	-	-	-	0.00	-	-	-	-
		Provision Thereon						0.00	-	-	-	-	0.00	-	-	-	-
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers	Nil					-	-	(1)	-	**(1)**	-	-	(1)	-	**(1)**
		Amount outstanding						0.00	-	(615.67)	-	**(615.67)**	0.00	-	(615.67)	-	**(615.67)**
		Provision Thereon						0.00	-	(382.55)	-	**(382.55)**	0.00	-	(382.55)	-	**(382.55)**
8	Restructured accounts as on 31st March, 2018	No. of borrowers	Nil					**12**	**4**	**8**	-	**24**	**12**	**4**	**8**	-	**24**
		Amount outstanding						**24,104.70**	**9,069.61**	**6,697.52**	-	**39,871.83**	**24,104.70**	**9,069.61**	**6,697.52**	-	**39,871.83**
		Provision Thereon						**1,404.17**	**906.96**	**2,469.68**	-	**4,780.81**	**1,404.17**	**906.96**	**2,469.68**	-	**4,780.81**

16. Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest / income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).

17. Disclosures as per Accounting Standard –15 :-

A. 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 contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. 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.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 20 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities as per Company rules. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. The provision for the same has been made on actuarial valuation. 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.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. 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 @ 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. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. 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 in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2018 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Interest cost on benefit obligation	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	0.00 (0.00)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain) / loss recognised in the year	-10.80 (-0.23)	5.46 (2.84)	3.65 (2.41)
Expenses recognised in Statement of Profit & Loss Account*	1.50 (1.41)	6.67 (4.04)	9.56 (7.49)

*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2018 (i)	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	0.00 (0.00)
Difference (ii) – (i)	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)
Net asset / (liability) recognized in the Balance Sheet	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	22.96 (20.74)	21.82 (17.83)	30.68 (26.89)
Interest cost	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Current service cost	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Benefits paid	-0.82 (-0.98)	-2.36 (-1.09)	-19.02 (-3.70)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain)/loss on obligation	-10.8 (-0.29)	5.69 (2.87)	3.65 (2.41)
Present value of the defined benefit obligation as at 31.03.2018	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	0.00 (0.00)
Contributions by employer	1.22	4.07	0.00

	(0.47)	(17.93)	(0.00)
Benefit paid	-0.82 (-0.98)	-1.71 (-0.83)	0.00 (0.00)
Actuarial gain / (loss)	- (-0.06)	0.24 (0.04)	0.00 (0.00)
Fair value of plan assets as at 31.03.2018	24.07 (21.74)	22.2 (18.15)	0.00 (0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)

Particulars	**PRMS**	**Service and Interest Cost**
Cost increase by 1%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.07 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (previous year ₹ 0.05 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

(₹ in crore)

S. No.	**Description**	**As at 31.03.2018**	**As at 31.03.2017**
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures(1)	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	Total	**23.55**	**21.12**

(1)As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
Future salary increase*	6.00%

*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2018 are as follows:-

(₹ in crore)

S.No.	**Description**	**As at 31.03.2018**	**As at 31.03.2017**
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	Total	**21.71**	**17.58**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
Future salary increase*	6.00%

*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.57	22.95	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.50)	(1.21)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	21.22	30.68	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)

(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed during the year ended 31.03.2018. On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities by the Company during the year.

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	149.21	166.15
Carry forward from previous year	100.20	102.16
Gross amount required to be spent	249.41	268.31
Amount spent during the year	118.18	168.11
Unspent amount	131.23	100.20

(c) Amount spent during the year on CSR activities:

(₹ in crore)

		FY 2017-18			FY 2016-17		
S. No.	**Particulars**	**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	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	0	-	0	0.10	-	0.10
(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
	Total (ii)	**118.18**	**-**	**118.18**	**166.91**	**1.20**	**168.11**
	Grand Total (i) and (ii)			**118.18**			**168.11**

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.20 (102.16)	- (166.15)	- (168.11)	100.20 (-)	- (100.20)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	- (16.12)	- (-)	- (16.12)	- (-)	- (-)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

(₹ in crore)

S. No.	Significant Accounting Policy		Modifications	Impact on PBT [increase / (decrease)]
	No.	Title		
1.	2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	6.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	(67.83)
3.	7	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
Total				**(243.54)**

21. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2.	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets	5	-

	Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than the life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.
22.	The Company has no outstanding liability towards Micro, Small and Medium enterprises.
23.	Leasehold land is not amortized, as it is a perpetual lease.
24.	As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.
25.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.

26\. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
(A) **Deferred Tax Asset (+)**		
(i) Provision for expenses not deductible under Income Tax Act	15.33	17.30
(B) **Deferred Tax Liabilities (-)**		
(i) Depreciation	0.80	0.19
(ii) Lease income	(66.64)	(66.00)
(iii) Amortization	(0.31)	(0.24)
(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)
(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)
(vi) Unamortise Exp on Borrowings	(58.77)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(300.90)**	**(250.51)**

27\. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2018	During year ended 31.03.2017
Net Profit after tax used as numerator (₹ in crore)	5,855.22	2,126.39
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	264,00,81,408
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	264,00,81,408
Earning per equity share, face value ₹ 10 each(basic) (₹)	22.18	8.05
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.18	8.05

28\. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:

Particulars	Year ended 31.03.2018			Year ended 31.03.2017		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	60%(1)	6.00	1,584.05	50%	5.00	1,320.04
Second Interim dividend	18%(2)	1.80	475.21	-	-	-
Final Dividend	-	-	-	-	-	-
Total Dividend	**78%**	**7.80**	**2,059.26**	**50%**	**5.00**	**1,320.04**

(1)Declared by Board of Directors in their 367th meeting held on 03.11.2017 and paid on 23.11.2017.

(2)Declared by Board of Directors in their 370th meeting held on 26.02.2018 and paid on 19.03.2018.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	**First Interim Dividend**		**Second Interim Dividend**		**Final Dividend**	
Year to which the dividend relates	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Number of non-resident shareholders	4,573	3,343	5,237	NA	NA	NA
Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA

29. Other key financial parameters:

Description	**As at 31.03.2018**	**As at 31.03.2017**
Debt Equity Ratio	5.76	5.55
Net worth (₹ in crore)	39,860.67	36,470.21

30. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

	Items	**As at 31.03.2018**	**As at 31.03.2017**
(i)	Capital Fund - a. Tier I (₹ in crore)	36,476.79	33,454.83
	- b. Tier II (₹ in crore)	6,470.46	6,369.90
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,14,881.19	2,06,567.92
(iii)	CRAR	19.99%	19.28%
(iv)	CRAR – Tier I Capital	16.98%	16.20%
(v)	CRAR – Tier II Capital	3.01%	3.08%
		During the year ended 31.03.2018	**During the year ended 31.03.2017**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

31. **Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.**

(A) Significant Accounting Policies

Reference may be made to Note Part - B.

(B) Capital

Reference may be made to Note Part C - 30 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Description			As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,680.68	3,680.94
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	344.32	89.81
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	2,336.36	3,591.13
		(b)	Outside India.	-	
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		89.81	97.32
	(ii)	Add : Provisions made during the year		254.51	86.59
	(iii)	Less : Write-off / write-back of excess provisions during the year		-	94.10
	(iv)	Closing balance		344.32	89.81

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	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)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the accounting standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.

d. Reference may be made to Note Part B - 8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Particular		As at 31.03.2018		As at 31.03.2017	
			Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)					
	For hedging[1]		9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)					
	a)	Asset (+MTM)	2.78	180.81	0.00	299.87
	b)	Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure		-	-	-	-
(iv)	Unhedged Exposures[2]		8,940.05	7,391.86	6,405.68	6,296.24

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 crore).

(E) Disclosures related to Securitization

I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2018 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30/31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits[1]	532.95	-	-	-	-	-	-	-	**532.95**
Advances [2]	4,485.03	688.44	3,905.59	7,909.22	12,684.38	42,719.38	47,703.98	158,577.76	**278,673.77**
Investments[3]	-	-	-	-	1,070.76	-	-	1,265.60	**2,336.36**
Borrowings[4]	1,275.80	2,805.00	7,345.70	12,457.70	13,056.65	69,867.71	37,178.05	67,628.47	**211,615.08**
Foreign Currency assets	-	-	-	-	-	-	-	240.96	**240.96**
Foreign Currency Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	**18,260.08**

[1] Fixed Deposit with Banks
[2] Rupee Loan Assets
[3] Net of provision
[4] Rupee Liabilities

(G) Exposures

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2018	Amount as at 31.03.2017
(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);	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;	-	-
(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;	2,700.47	2,772.39
(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
Total Exposure to Capital Market		**4,581.15**	**4,653.33**

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2017-18 and FY 2016-17.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2018 (Previous year Nil).

(H) Registration obtained from other financial sector regulators:

Nil.

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2018, no penalty has been imposed on the Company by RBI and other regulators (Previous year Nil).

(J) Credit rating

a. 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.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2018:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Statement of Profit and Loss, Note Part A-18 and Note Part C-20 regarding prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Reference may be made to Note Part C-16

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.

(N) Provisions and Contingencies

(₹ In crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	254.51	(7.51)
Provision towards NPA	732.46	3,913.62
Provision for Standard Assets	780.43	(39.57)
Restructured Standard Assets	(952.06)	1227.03
Provision made towards Income tax	2,421.34	3,074.30

(O) Draw Down from Reserves

Reference may be made to Note Part A – 2 Reserves and Surplus.

(P) Concentration of Deposits, Advances, Exposures and NPAs

a. **Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.**

b. **Concentration of Advances:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.34%	62.60%

c. **Concentration of Exposures:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers / customers	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	53.90%	56.23%

d. **Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

e. **Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In crore)

Sl. No.		Description	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Net NPAs to Net Advances (%)		7.55	10.55
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	30,702.21	7,519.04
	(b)	Additions during the year	15,477.99	24,573.14
	(c)	Reductions during the year	19,477.53	1,389.97
	(d)	Closing balance	26,702.67	30,702.21
(iii)	Movement of Net NPAs			
	(a)	Opening balance	25,345.96	6,061.02
	(b)	Additions during the year	12,451.96	20,536.64
	(c)	Reductions during the year	17,197.85	1,251.70
	(d)	Closing balance	20,600.07	25,345.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	5,356.25	1458.02
	(b)	Provisions made during the year	3,026.02	4,036.50
	(c)	Write-off / write-back of excess provisions	2,279.67	138.27
	(d)	Closing balance	6,102.60	5,356.25

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Note Part C - 7(A)(b) for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2017-18

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

32. Disclosure so far as applicable in line with Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Crore)

		Particulars	Amount as on 31.03.2018		Amount as on 31.03.2017	
		Liabilities Side	**outstanding**	**overdue**	**outstanding**	**overdue**
(1)	**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured	20,401.58	0.00	20,109.87	0.00
		: Unsecured	176,033.95	0.00	170,800.80	0.00
	(b)	(i) Rupee Term Loans	10,525.00	0.00	2,000.00	0.00
		(ii) Foreign Currency Loans	15,653.08	0.00	7,276.58	0.00
	(c)	Commercial Paper	6,924.74	0.00	-	0.00
	(d)	Short Term Borrowings	-	0.00	2,400.79	0.00

				Assets Side	Principal Amount Outstanding as on 31.03.2018	Principal Amount Outstanding as on 31.03.2017
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**					
	(a)			Secured	183,404.95	168,251.79
	(b)			Unsecured	89,590.21	72,039.40
(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	174.89	194.32
(4)	**Break-up of Investments (Net of Provisions)**					
	Current Investments					
	1.	Quoted				
		(i)		Shares		
				(a) Equity	1,070.76	1,071.02
	2.	Unquoted				
		(i)		Shares		
				(a) Equity	-	254.51
	Long Term Investments					
	1.	Quoted				
		(i)		Shares		
				(a) Equity	12.00	12.00
		(ii)		Debentures and Bonds	800.00	1,800.00
	2.	Unquoted				
		(i)		Shares		
				(a) Equity	247.45	247.45
				(b) Preference	200.00	200.00
		(ii)		Units of SIB Fund	6.15	6.15

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:
(as per applicable provisioning norms)

		Category	Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 31.03.2017)		
			Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.		Related Parties						
	(a)	Subsidiaries	0.00	557.63	557.63	0.00	496.18	496.18
	(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
2.		Other than related parties	183,579.81	89,032.09	272,611.90	168,446.07	71,542.76	239,988.83
		Total	183,579.84	89,590.21	273,170.05	168,446.11	72,039.40	240,485.51

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

		Category	As on 31.03.2018		As on 31.03.2017	
			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)**
1.		Related Parties				
	(a)	Subsidiaries	416.55	300.95	437.91	300.95
	(b)	Companies in the same group	166.78	146.50	183.86	146.50
2.		Other than related parties				
	(i)	Quoted	2,030.92	1,882.76	3,170.10	2,883.02
	(ii)	Unquoted	342.70	6.15	331.47	260.66
		Total	**2,956.95**	**2,336.36**	**4,123.34**	**3,591.13**

(7) Other Information

		Particulars	Amount (as on 31.03.2018)	Amount (as on 31.03.2017)
(i)		Gross Non-performing Assets		
	(a)	Other than related parties	26,705.18	30,718.61
(ii)		Net Non-performing Assets		
	(a)	Other than related parties	20,600.07	25,345.95
(iii)		Assets acquired in satisfaction of debt (Gross value of investment)	341.10	341.10

[$]In case of negative break-up value, Nil value has been considered.

33.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
34.	Figures have been rounded off to the nearest crore of rupees with two decimals.
35.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

Accounting Ratios(Standalone)

(₹ in crore)

Description	**Year ended 31.03.2018**	**Year ended 31.03.2017**	**Year ended 31.03.2016**	**Year ended 31.03.2015**
	IGAAP	**IGAAP**	**IGAAP**	**IGAAP**
Net Profit After Tax	5,855.22	2,126.39	6,113.48	5,959.33
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704	1,32,00,40,704
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704	1,32,00,40,704
Networth	39,860.67	36,470.21	35,766.03	32,219.21
Average Networth	38,165.44	36,118.12	33,992.62	29,796.91
Accounting Ratios:				
Basic and Diluted Earing Per Share (₹)	22.18	8.05	46.31	45.15
Net Asset Value per Share (₹)	150.98	138.14	270.95	244.08
Return on Average Net worth (%)	15.35%	5.89%	17.98%	20.00%
Long term Debt* / Networth (Times)	4.80	4.79	4.82	5.12
Total Debt / Net worth (Times)	5.76	5.55	5.61	5.83

**Excludes current maturity of Long term Debt*

Statement of dividend paid (Standalone)

Rs. in crore

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
	IGAAP	IGAAP	IGAAP	IGAAP
Face value of equity shares	10.00	10.00	10.00	10.00
Equity share capital	2,640.08	2,640.08	1,320.04	1,320.04
Amount of dividend				
Interim dividend paid	2,059.26	1,320.04	1,755.66	1,122.04
Proposed final dividend	0.00	0.00	79.20	79.20
Total	**2,059.26**	**1,320.04**	**1,834.86**	**1,201.24**
Rate of dividend (%)	78.00%	50.00%	139.00%	91.00%
Corporate dividend tax	404.41	268.73	372.86	240.22

Capitalization Statement (Standalone)

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
	IGAAP	IGAAP	IGAAP	IGAAP
Debts				
Short term Debt - Current	6,924.74	2,400.79	7,571.57	4,064.41
Long term Debt - Non-Current	1,91,498.68	1,74,841.36	1,72,549.70	1,64,973.46
- Current	31,114.93	25,345.89	20,363.17	18,735.28
Total Debt	**2,29,538.35**	**2,02,588.04**	**2,00,484.44**	**1,87,773.15**
Shareholders' Fund				
Share Capital	2,640.08	2,640.08	1,320.04	1,320.04
Reserves & Surplus	37,220.59	33,830.13	34,445.99	30,899.17
Net Worth	**39,860.67**	**36,470.21**	**35,766.03**	**32,219.21**
Longterm Debt* / Networth	4.80	4.79	4.82	5.12
Total Debt / Networth	5.76	5.55	5.61	5.83

**Excludes current maturity of Long term Debt*

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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended

Review Report to,
The Board of Directors,
Power Finance Corporation Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Power Finance Corporation Limited (the "Company") for the quarter ended 30th June, 2019 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019.

This statement is the responsibility of the Company's management and has been approved by the Board of Directors of the company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder & other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review of the Statement in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

CA ATUL AGGARWAL
Partner
Membership No.099374
UDIN: 19099374AAAAAZ2906

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867
UDIN: 19092867AAAAAW2888

Date: 13.08.2019
Place: New Delhi

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended

Review Report to,
The Board of Directors,
Power Finance Corporation Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / loss of its associates and joint venture for the quarter ended 30th June, 2019 (the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (the listed regulations) read with SEBI circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30.06.2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

M.K. AGGARWAL & CO. 30, Nishant Kunj Pitampura New Delhi-34 Chartered Accountants

GANDHI MINOCHA & CO. New Delhi CHARTERED ACCOUNTANTS

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

Subsidiaries:	
1.	REC Limited#
2.	PFC Consulting Limited#
3.	Power Equity Capital Advisors Private Limited
Joint Venture Entity:	
1.	Energy Efficiency Services Limited
Associates:	
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.	Deoghar Infra Limited
7.	Bihar Infrapower Limited
8.	Sakhigopal Integrated Power Company Limited
9.	Ghogarpalli Integrated Power Company Limited
10.	Tatiya Andhra Mega Power Limited
11.	Deoghar Mega Power Limited
12.	Cheyyur Infra Limited
13.	Odisha Infrapower Limited
14.	Bihar Mega Power Limited
15.	Jharkhand Infrapower Limited

#consolidated financial results

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

6. We did not review the unaudited financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total revenues of ₹ 7,010.17 crore, total net profit after tax of ₹ 1,509.00 crore and total comprehensive income of ₹ 1,483.04 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above. These financial results includes share of net profit after tax of ₹ 6.35 crore and total comprehensive income of ₹ 2.41 crore in respect of one joint venture (JV) which has not been reviewed. The said JV being the common JV in the group, these numbers also forms part of detail contained in para 7 below.

Our conclusion on the Statement is not modified in respect of the above matters.

M.K. AGGARWAL & CO. Chartered Accountants 30, Nishant Kunj Pitampura, New Delhi-34

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi

7. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed / audited by their auditors, whose financial results reflect total revenues of ₹ 12.40 crore, total net profit after tax of ₹ 3.09 crore and total comprehensive income of ₹ 3.09 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of ₹ 11.25 crore and total comprehensive income of ₹ 7.31 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results, in respect of fifteen associates and one joint venture, based on their financial results which have not been reviewed / audited by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matters.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

M.K. AGGARWAL & CO. 30, Nishant Kunj Pitampura, New Delhi-34 Chartered Accountants

Atul Aggarwal

CA ATUL AGGARWAL
Partner
Membership No.099374
UDIN: 19099374AAAABA7989

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

GANDHI MINOCHA & CO. New Delhi CHARTERED ACCOUNTANTS

CA BHUPINDER SINGH
Partner
Membership No.092867
UDIN: 19092867AAAAAX9895

Date: 13.08.2019
Place: New Delhi

Power Finance Corporation Limited

Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Website: http://www.pfcindia.com

CIN L65910DL1986GOI024862

Statement of Un-Audited Standalone Financial Results for the Quarter ended 30.06.2019

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	Revenue from Operations				
(i)	Interest Income	7,531.87	7,636.40	6,627.63	28,440.97
(ii)	Dividend Income	0.47	42.17	4.06	167.03
(iii)	Fees and Commission Income	45.55	22.55	11.15	149.02
(iv)	Net Gain on Fair Value Changes	2.73	-	340.84	84.98
I.	**Total Revenue from Operations**	**7,580.62**	**7,701.12**	**6,983.68**	**28,842.00**
II.	**Other Income**	4.68	1.52	1.08	9.29
III.	**Total Income (I+II)**	**7,585.30**	**7,702.64**	**6,984.76**	**28,851.29**
	Expenses				
(i)	Finance Costs	5,366.49	4,979.93	4,539.99	18,981.76
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	(24.02)	(98.57)	317.62	520.23
(iii)	Fees and Commission Expense	2.41	3.90	1.32	10.09
(iv)	Net Loss on Fair Value changes	-	283.46	-	-
(v)	Impairment on Financial Instruments	221.39	(509.66)	4.24	(871.48)
(vi)	Employee Benefit Expenses	49.98	37.80	44.79	173.57
(vii)	Depreciation and Amortisation	1.72	1.93	1.21	6.14
(viii)	Corporate Social Responsibility Expenses	10.44	44.30	4.36	100.50
(ix)	Other Expenses	16.26	43.55	16.51	114.69
IV.	**Total Expenses**	**5,644.67**	**4,786.64**	**4,930.04**	**19,035.50**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**	**1,940.63**	**2,916.00**	**2,054.72**	**9,815.79**
VI.	**Exceptional Items**	-	-	-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**	**1,940.63**	**2,916.00**	**2,054.72**	**9,815.79**
	Tax Expense:				
	(1) Current Tax				
	Current Year	571.87	720.30	426.22	2,346.50
	Earlier Years	-	1.22	-	1.22
	(2) Deferred Tax	(14.00)	76.92	244.48	515.15
VIII.	**Total Tax Expense**	**557.87**	**798.44**	**670.70**	**2,862.87**
IX.	**Profit/(Loss) for the period from Continuing Operations (VII-VIII)**	**1,382.76**	**2,117.56**	**1,384.02**	**6,952.92**
X.	**Profit/(Loss) from Discontinued Operations (After Tax)**	-	-	-	-
XI.	**Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)**	**1,382.76**	**2,117.56**	**1,384.02**	**6,952.92**
XII.	**Other Comprehensive Income**				
(A)	(i) Items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	(0.91)	(7.95)	1.43	(3.63)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	18.14	(57.79)	(151.61)	(154.88)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	0.42	0.37	0.44	1.69
	Sub-Total (A)	**17.65**	**(65.37)**	**(149.74)**	**(156.82)**
(B)	(i) Items that will be reclassified to Profit or Loss				
	-Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	11.07	(45.07)	-	(77.08)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(3.87)	15.74	-	26.93
	Sub-Total (B)	**7.20**	**(29.33)**	-	**(50.15)**
	Other Comprehensive Income (A+B)	**24.85**	**(94.70)**	**(149.74)**	**(206.97)**
XIII.	**Total Comprehensive Income for the period (XI+XII)**	**1,407.61**	**2,022.86**	**1,234.28**	**6,745.95**
XIV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08
XV.	Reserves (excluding Revaluation reserves) (As per Audited Balance Sheet as at 31st March)				40,647.91
XVI.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):***				
	(1) Basic EPS (₹)	5.24	8.02	5.24	26.34
	(2) Diluted EPS (₹)	5.24	8.02	5.24	26.34
XVII.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for discontinued operations):***				
	(1) Basic EPS (₹)	-	-	-	-
	(2) Diluted EPS (₹)	-	-	-	-
XVIII.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):***				
	(1) Basic EPS (₹)	5.24	8.02	5.24	26.34
	(2) Diluted EPS (₹)	5.24	8.02	5.24	26.34

** EPS for the quarters are not annualised.*

See accompanying notes to the financial results

M.K. AGGARWAL & CO. Chartered Accountants 30, Nishant Kunj Pitampura, New Delhi-34

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi

Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Website: http://www.pfcindia.com
CIN L65910DL1986GOI024862
Statement of Un-Audited Consolidated Financial Results for the Quarter ended 30.06.2019

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations				
(i)	Interest Income	14,510.29	14,190.59	12,367.20	53,435.70
(ii)	Dividend Income	0.47	52.25	4.06	76.63
(iii)	Fees and Commission Income	59.79	25.35	15.27	374.11
(iv)	Net Gain on Fair Value Changes	2.73	-	921.39	-
(v)	Other Operating Income	25.93	107.04	34.78	227.50
I.	**Total Revenue from Operations**	**14,599.22**	**14,375.23**	**13,342.70**	**54,113.94**
II.	**Other Income**	8.64	16.79	2.85	42.89
III.	**Total Income (I+II)**	**14,607.86**	**14,392.02**	**13,345.55**	**54,156.83**
	Expenses				
(i)	Finance Costs	9,937.81	9,140.45	8,159.01	34,620.96
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	18.05	(160.25)	650.34	1,041.42
(iii)	Fees and Commission Expense	9.21	16.21	11.18	44.47
(iv)	Net Loss on Fair Value changes	190.58	1,045.49	-	263.54
(v)	Impairment on Financial Instruments	193.34	(488.17)	132.48	(625.73)
(vi)	Cost of services rendered	17.25	43.39	10.68	85.15
(vii)	Employee Benefit Expenses	107.19	92.94	97.42	362.66
(viii)	Depreciation and Amortisation	5.12	4.50	3.35	15.49
(ix)	Corporate Social Responsibility Expenses	35.26	63.88	52.10	206.32
(x)	Other Expenses	42.35	79.71	42.40	324.77
IV.	**Total Expenses**	**10,556.16**	**9,838.15**	**9,158.96**	**36,339.05**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**	**4,051.70**	**4,553.87**	**4,186.59**	**17,817.78**
VI.	**Exceptional Items**	-	-	-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates	11.25	31.35	0.81	44.25
VIII.	**Profit/(Loss) Before Tax (V-VI)+VII.**	**4,062.95**	**4,585.21**	**4,187.40**	**17,862.03**
	Tax Expense:				
	(1) Current Tax				
	Current Year	1,157.02	1,089.24	775.57	4,182.75
	Earlier Years	10.30	(12.06)	-	(12.75)
	(2) Deferred Tax	(4.11)	112.30	547.76	1,051.76
IX.	**Total Tax Expense**	**1,163.21**	**1,189.48**	**1,323.33**	**5,221.76**
X.	**Profit/(Loss) for the period from Continuing Operations (VIII-IX)**	**2,899.74**	**3,395.73**	**2,864.07**	**12,640.27**
XI.	**Profit/(Loss) from Discontinued Operations (After Tax)**	-	-	-	-
XII.	**Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)**	**2,899.74**	**3,395.73**	**2,864.07**	**12,640.27**
XIII.	**Other Comprehensive Income**				
(A)	(i) Items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	(0.91)	(34.78)	1.43	(23.00)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(5.47)	(79.81)	(223.05)	(202.25)
	- Share of other Comprehensive Income / (Loss) in Joint Venture accounted using equity method	-	(0.27)	-	(0.13)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	0.42	9.75	0.44	8.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments	0.78	0.12	(0.83)	(0.68)
	Sub-Total (A)	**(5.18)**	**(104.99)**	**(222.01)**	**(217.60)**
(B)	(i) Items that will be reclassified to Profit or Loss				
	-Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	11.07	(45.07)	-	(77.08)
	- Share of other Comprehensive Income in Joint Venture accounted using equity method	(3.94)	-	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(3.06)	15.74	-	26.93
	Sub-Total (B)	**4.07**	**(29.33)**	**-**	**(50.15)**
	Other Comprehensive Income (A+B)	**(1.11)**	**(134.32)**	**(222.01)**	**(267.75)**
XIV.	**Total Comprehensive Income for the period (XII+XIII)**	**2,898.63**	**3,261.41**	**2,642.06**	**12,372.52**
	Profit attributable to:				
	- Owners of the Company	2,185.00	2,802.40	2,166.87	9,920.86
	- Non-Controlling Interest	714.74	593.32	697.20	2,719.41
		2,899.74	**3,395.73**	**2,864.07**	**12,640.27**
	Other Comprehensive Income attributable to:				
	- Owners of the Company	11.19	(115.63)	(187.78)	(239.05)
	- Non-Controlling Interest	(12.30)	(18.69)	(34.23)	(28.70)
		(1.11)	**(134.32)**	**(222.01)**	**(267.75)**
	Total Comprehensive Income attributable to:				
	- Owners of the Company	2,196.19	2,686.77	1,979.09	9,681.81
	- Non-Controlling Interest	702.44	574.64	662.97	2,690.71
		2,898.63	**3,261.41**	**2,642.06**	**12,372.52**
XV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08
XVI.	Reserves (excluding Revaluation reserves) (As per Audited balance Sheet as at 31st March)				44,481.17
XVII.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):***				
	(1) Basic EPS (₹)	8.28	10.61	8.21	37.58
	(2) Diluted EPS (₹)	8.28	10.61	8.21	37.58
XVIII.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for discontinued operations):***				
	(1) Basic EPS (₹)	-	-	-	-
	(2) Diluted EPS (₹)	-	-	-	-
XIX.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):***				
	(1) Basic EPS (₹)	8.28	10.61	8.21	37.58
	(2) Diluted EPS (₹)	8.28	10.61	8.21	37.58

** EPS for the quarters are not annualised.*

See accompanying notes to the financial results

M.K. AGGARWAL & CO. Chartered Accountants 30, Nishant Kunj Pitampura New Delhi-34

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi

Notes:

1	These financial results have been reviewed & recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 13.08.2019. The same have been limited reviewed by M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. However, since the consolidated financial results of the Company are being submitted for the first time pursuant to the mandatory requirement w.e.f. 01.04.2019, the consolidated figures for the comparative periods for the quarter ended 30.06.2018 and quarter ended 31.03.2019, as reported in these financial results, have not been subjected to limited review.
2	The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
3	The Company has adopted Ind AS 116 - 'Leases' using modified retrospective approach w.e.f. 01.04.2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards) Second Amendment Rules, 2019 dated 30.03.2019. This has resulted in recognition of 'Right to Use Asset' of ₹ 36.09 crore and 'Lease Liability' of ₹ 8.82 crore. The impact on the profit for the quarter is not material.
4	As a matter of prudence, income on credit impaired loans is recognised only when expected realisation is higher than the loan amount outstanding.
5	For all the secured bonds issued by the Company and outstanding as at 30.06.2019, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.
6	Consolidated financial results for the quarter ended 30.06.2019 of the Company include the quarterly limited reviewed result of one subsidiary and management approved results of two subsidiaries, one joint venture entity and fifteen associates. The financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 - 'Consolidated Financial Statements', Ind AS 111 - 'Joint Arrangements' and Ind AS 28 - 'Investments in Associates and Joint Ventures'.
7	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's / Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.
8	Pursuant to amalgamation of PFC Green Energy Limited, a wholly owned subsidiary, with the Company w.e.f. 01.04.2017 (appointed date as per order of amalgamation) vide MCA's order dated 07.02.2019, the financial results for the comparative period have been adjusted to give effect of this amalgamation.
9	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 13.08.2019

RAJEEV SHARMA
Chairman & Managing Director
DIN – 00973413

M.K. AGGARWAL & CO. Chartered Accountants, Nishant Kunj, Pitampura, New Delhi-34

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi