मनोहर बलवानी
कम्पनी सचिव
MANOHAR BALWANI
Company Secretary

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

No. CS:1:05:138:II C

6th June, 2019

National Stock Exchange of India Ltd.	BSE Ltd.
Exchange Plaza Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051	Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001

Sub: Announcement pursuant to Regulation 30 of the SEBI (LODR), Regulations, 2015

Dear Sirs,

Power Finance Corporation Limited (the "Company" or "PFC"), rated Baa3/ BBB-/ BBB- (Moody's / S&P / Fitch) has mandated Barclays, MUFG and Standard Chartered Bank as Joint Lead Managers and Joint Bookrunners to arrange a series of fixed income investor meetings in Asia and Europe starting from June 6, 2019. A benchmark sized USD Regulation S 5 & / or 10-years senior notes offering, under its USD 3 billion Global Medium Term Note Programme, may follow, subject to market conditions.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT")), OR IN OR INTO INDIA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.

FCA / ICMA stabilization applies.

MiFID II professionals / ECPs-only – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the CMP Regulations 2018), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of any such notes as 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement is confidential and solely for the use of the person it is addressed to and its advisers. Release, transmission or distribution to any other person is prohibited. The distribution of this announcement and other information referred to herein may be restricted by law and persons into whose possession this announcement or such other information comes should inform themselves about and observe any such restriction.

This announcement is not and does not constitute or form a part of, and should not be construed as, any offer, solicitation or invitation to sell, issue, purchase or subscribe for any securities of the Company in or into the United States (as defined in Regulation S under the U.S. Securities Act), India or any other jurisdiction. No securities mentioned herein have been, or will be, registered under the U.S. Securities Act, or any state securities laws or other jurisdiction of the United States, India or any other jurisdiction. If any offering proceeds, the securities will only be offered or sold outside the United States in reliance on Regulation S ("Regulation S") under the U.S. Securities Act. No securities may be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws of the United States. No public offering is being made in the United States, India or in any other jurisdiction where such an offering is restricted or prohibited or where such offer would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. Any offering of securities will be made by means of one or more offering documents, which will contain detailed information about the Company making the offer and its management and financial statements. No action has been taken in any jurisdiction that would permit a public offering to occur in any jurisdiction. Neither this announcement nor any portion hereof may be sent or distributed in or into the United States (as defined in Regulation S under the U.S. Securities Act), or in or into India or any jurisdiction where it is unlawful to do so. This announcement does not constitute an offer to sell, offer to purchase, or a solicitation to sell or solicitation to purchase or subscribe for securities (whether to the public or by way of private placement) within the meaning of the Indian Companies Act, 2013, as amended from time to time or other applicable laws, regulations and guidelines of India. Any failure to comply with these restrictions may result in a violation of the U.S. Securities Act or the applicable laws, regulations and guidelines of India or any other jurisdictions. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted. Neither this communication nor any information herein nor the fact of its distribution shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agencies. The significance of each rating should be analysed independently from any other rating.

It may be noted that Financials in the enclosed Offering Circular for FY 2019 are subject to the Audit by the Comptroller and Auditor General of India and Shareholders' approval in the Annual General Meeting.

This is for your kind information and record please.

Thanking you

Yours faithfully
For POWER FINANCE CORPORATION LIMITED

(Manohar Balwani)
Company Secretary

Enclosed: as above

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the preliminary note offering circular dated [●] 2019 (together with the offering circular dated 13 November 2018, the "**Offering Circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers (as defined below) or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Barclays Bank PLC, MUFG Securities Asia Limited and Standard Chartered Bank (together, the "**Managers**"), nor any person who controls any of them, nor any director, officer, employee, nor any agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Managers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

To the fullest extent permitted by law, none of the Managers, nor any person who controls any of them, nor any director, officer, employee, nor any agent of any of them or affiliate of any such person accepts any responsibility for the contents of the Offering Circular or for any other statement, made or purported to be made by the Managers or by any person who controls any of them, or by any director, officer, employee or agent of each of them or affiliate of any such person in connection with the Issuer, or the Notes (as defined in the Offering Circular). The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise which any of them might otherwise have in respect of the Offering Circular or any such statement.

The Offering Circular has not been and will not be registered, produced or made available as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013, as amended from time to time, or any other applicable Indian laws) with the Registrar of Companies of India or the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India.

PRELIMINARY NOTE OFFERING CIRCULAR DATED 5 JUNE, 2019
SUBJECT TO COMPLETION STRICTLY CONFIDENTIAL

The information in this preliminary note offering circular is not complete and may be changed. This preliminary note offering circular is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.
Subject to Completion

NOTE OFFERING CIRCULAR

POWER FINANCE CORPORATION LIMITED

(incorporated with limited liability in the Republic of India)

Issue of U.S.$[●] [●] per cent. Notes due [●]
issued pursuant to the U.S.$3,000,000,000
Global Medium Term Note Programme

For the purposes of the Notes (as defined below) only, this offering circular (the "**Note Offering Circular**") is supplemental to, and should be read in conjunction with, the offering circular dated 13 November 2018 (the "**Original Offering Circular**") (the Original Offering Circular together with this Note Offering Circular, the "**Offering Circular**").

The U.S.$[●] [●] per cent. Notes due [●] (the "**Notes**") will be issued by Power Finance Corporation Limited (the "**Issuer**" or our "**Company**") (the "**Offering**"), pursuant to its U.S.$3,000,000,000 Global Medium Term Note Programme (the "**Programme**"). The Notes will bear interest at the rate of [●] per cent. per annum from and including [●] 2019 up to and including [●] 20[●] and interest will be payable semi-annually on [●] and [●] of each year, commencing on [●] 2019. The Notes will mature on [●] 20[●]. Prior to maturity, the Notes may be redeemed in certain circumstances. See further, "*Terms and Conditions of the Notes*" under the Original Offering Circular.

The Notes will constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject to the provisions of Condition 4) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the SGX Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer or the Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies.

Application [has been]/[will be] made to the India International Exchange IFSC Limited (the "**India INX**") for the Notes to be admitted to trading on the India INX. The India INX has not approved or verified the contents of the Note Offering Circular.

Application [has been]/[will be] made to NSE IFSC Limited (the "**NSE IFSC**") for the Notes to be admitted to trading on the NSE IFSC. The NSE IFSC has not approved or verified the contents of the Note Offering Circular.

Investing in the Notes involves risks. See "*Risk Factors*" in the Original Offering Circular and "*Supplementary Risk Factors*" in this Note Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws.

The Notes will be offered outside the United States in reliance on Regulation S under the Securities Act and evidenced by a Registered Global Note (as defined in the Original Offering Circular) deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), and registered in the name of a nominee of such common depositary.

In accordance with applicable provisions of Indian regulations (a) only investors (being residents, including individuals) from jurisdictions that are Financial Action Task Force ("**FATF**") or International Organisation of Securities Commission ("**IOSCO**") compliant; or (b) multilateral or regional financial institutions where India is a member country; or (c) foreign branches or subsidiaries of Indian banks (except that: (i) such foreign branches or subsidiaries of Indian banks can only subscribe to notes denominated in freely convertible currency other than Indian Rupee and (ii) Rupee denominated notes can only be subscribed by such foreign branches or subsidiaries of Indian banks in their capacity as underwriters or arrangers or market makers or traders, subject to compliance with applicable prudential norms); and in compliance with other requirements as may be specified by the RBI from time to time in relation to external commercial borrowings by Indian entities and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes, are eligible to subscribe for the Notes.

This Note Offering Circular has not been and will not be registered, produced or made available as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013, as amended from time to time or any other applicable Indian laws) with the Registrar of Companies of India or the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Note Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and under the listing agreement with any Indian stock exchange(s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, or pursuant to the directives of any regulatory and adjudicatory body in India.

It is expected that delivery of the Registered Global Note will be made on [●] 2019 or such later date as may be agreed (the "**Closing Date**") by the Issuer and the Managers (as defined below).

Words and expressions defined in the Original Offering Circular shall have the same meanings where used in this Note Offering Circular unless the context otherwise requires or unless otherwise stated herein.

The date of this Note Offering Circular is [●] 2019

Managers

Barclays **MUFG** **Standard Chartered Bank**

The Issuer accepts responsibility for the information contained in this Note Offering Circular. To the best of the Issuer's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Note Offering Circular (read together with the Original Offering Circular) is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Note Offering Circular (read together with the Original Offering Circular) contains all information which is material in the context of the Notes, that the information contained in this Note Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Note Offering Circular are honestly held and that there are no other facts the omission of which would make this Note Offering Circular (read together with the Original Offering Circular) or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Note Offering Circular (read together with the Original Offering Circular) or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representation must not be relied upon as having been authorised by the Issuer, Barclays Bank PLC, MUFG Securities Asia Limited and Standard Chartered Bank (together, the "**Managers**"), the Trustee or the Agents (each as defined in the Terms and Conditions of the Notes).

None of the Managers, the Trustee or the Agents has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by the Managers, the Trustee, the Agents or any of them as to the accuracy or completeness of the information contained in this Note Offering Circular, or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the Notes or any other information provided by the Issuer in connection with the Notes. The Managers, the Trustee and the Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Note Offering Circular or any such statement.

Neither this Note Offering Circular (read together with the Original Offering Circular) nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Managers, the Trustee or the Agents that any recipient of this Note Offering Circular, the Original Offering Circular or any other information supplied in connection with the Programme or the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. None of this Note Offering Circular, the Original Offering Circular or any other information supplied in connection with the Programme or the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Managers, the Trustee or the Agents to any person to subscribe for or to purchase the Notes.

Neither the delivery of this Note Offering Circular or the Original Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers, the Trustee and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Note Offering Circular or to advise any investor in the Notes of any information coming to their attention.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Furthermore, the issuance of the Notes, which would be eligible for electronic settlement, is in accordance with all applicable Indian laws and is duly authorised by the Issuer's constitutional documents as well as applicable statutory and other consents.

In this Note Offering Circular, where information has been presented in millions or billions of units, amounts may have been rounded, in the case of information presented in millions, to the nearest ten thousand or one hundred thousand units or, in the case of information presented in billions, one, ten or one hundred million units. Accordingly, the totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

Save as disclosed in this Note Offering Circular, there has been no significant change in the financial position or prospects of the Issuer since 31 March 2019.

Except as disclosed in the Offering Circular, there are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have in the 12 months preceding the date of this document had a significant effect on the financial position or profitability of the Issuer.

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PRICING SUPPLEMENT

[●] 2019

Power Finance Corporation Limited
Legal entity identifier (LEI): 3358003Q6D9LIJJZ1614
Issue of U.S.$[●] [●] per cent. notes due 20[●]
under the U.S.$3,000,000,000
Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 13 November 2018 (the "**Initial Offering Circular**") and the Note Offering Circular dated [●] 2019 (the "**Note Offering Circular**" and, together with the Initial Offering Circular, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. This Pricing Supplement supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.

1	Issuer:		Power Finance Corporation Limited
2	(i)	Series Number:	04
	(ii)	Tranche Number:	01
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:		U.S. Dollars
4	Aggregate Nominal Amount:		
	(i)	Series:	U.S.$[●]
	(ii)	Tranche:	U.S.$[●]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	U.S.$[●]
6	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	[●] 2019

	(ii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		[●] 20[●]
9	Interest Basis:		[●] per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:		Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:		Not Applicable
12	Put/Call Options:		Condition 8.3 applicable
13	(i)	Date of board approval for issuance of Notes obtained:	27 March 2019
	(ii)	Date of regulatory approval/consent for issuance of Notes obtained:	Not Applicable
14	Listing:		SGX-ST, India INX and NSE IFSC
15	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:		Applicable
	(i)	Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[●] and [●] in each year up to and including the Maturity Date commencing on [●] 2019 (*see Condition 7.4 for the definition of business day for payment of interest in respect of the Notes*)
	(iii)	Fixed Coupon Amount(s):	U.S.$[●] per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	30/360, unadjusted
	(vi)	Determination Date(s):	Not Applicable
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
17	Floating Rate Note Provisions		Not Applicable
18	Zero Coupon Note Provisions		Not Applicable
19	Index Linked Interest Note Provisions		Not Applicable
20	Dual Currency Interest Note Provisions		Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Issuer Call:	Not Applicable
22	Final Redemption Amount	U.S.$1,000 per Calculation Amount
23	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	U.S.$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	Registered Notes: Regulation S Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg
25	Additional Financial Centres:	Not Applicable
26	Talons for future Coupons to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	No
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
28	Details relating to Instalment Notes:	Not Applicable
29	Redenomination applicable:	Redenomination not applicable
30	Permitted Security Interest Date:	Not Applicable
31	Other terms or special conditions:	Not Applicable

DISTRIBUTION

32	(i)	If syndicated, names of Managers:	Barclays Bank PLC MUFG Securities Asia Limited Standard Chartered Bank
	(ii)	Stabilising Manager(s) (if any):	Barclays Bank PLC
33	If non-syndicated, name of relevant Dealer:		Not Applicable

34	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA not applicable
35	Additional U.S. Federal Income Tax Considerations:	Not Applicable
36	U.S. Selling Restrictions:	Reg. S Compliance Category 1
37	Prohibition of Sales to EEA Retail Investors:	Not Applicable
38	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

39	Any clearing system(s) other than DTC, Euroclear and Clearstream and the relevant identification number(s):	Not Applicable
40	Delivery:	Delivery against payment
41	Additional Paying Agent(s) (if any):	Not Applicable

ISIN:	XS2009878880
Common Code:	200987888
CUSIP:	Not Applicable
CINS:	Not Applicable
FISN:	Not Applicable
CFI:	Not Applicable

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for the issue and admission to trading on SGX-ST, India INX and NSE IFSC of the Notes described herein pursuant to the U.S.$3,000,000,000 Global Medium Term Note Programme of Power Finance Corporation Limited.

STABILISATION

In connection with this issue, Barclays Bank PLC (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager (or person(s) acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The SGX-ST, India INX and NSE IFSC assume no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the Official List of the SGX-ST and the admission of the Notes to the India INX and NSE IFSC are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Signed on behalf of the Issuer:

By: ________________________________

Duly authorised

RECENT DEVELOPMENTS

Integration within the power sector and REC Acquisition

On 28 March 2019, the Issuer acquired the entire GoI holding of 52.63% in REC Limited pursuant to the decision of the Cabinet Committee on Economic Affairs of India in consideration of Rs.145,000 million (the "**REC Acquisition**"). Please see *"Recent Developments – New subsidiary following REC Acquisition: REC Limited"* for further details in relation to REC Limited's business.

The Issuer believes that, as a result of the REC Acquisition, the Company (on a consolidated basis) has now become the largest government-owned financing provider in the power sector of India, the largest NBFC in which the Government holds a controlling stake, and the third highest profit making Public Sector Undertaking in India. *(Source: base data is from Bloomberg, in relation to the financial year ended 31 March 2018 and has thereafter been re-grouped by the Issuer to cover both PFC and REC Limited together)*.

While the Company was established as an integral part of, and has continued to play a strategic role in, the GoI's initiatives for the promotion and development of the power sector in India for more than three decades, the Issuer's involvement in the development and implementation of various policies and structural and procedural reforms for the power sector is expected to be further enhanced and become even more effective as a result of the REC Acquisition.

Subsequent to the REC Acquisition, the Company's CRAR (on a consolidated basis) as at 31 March 2019 was 16.78%. In addition, the Company's credit ratings for long-term domestic borrowings and short-term borrowings from CRISIL (a subsidiary of S&P), ICRA (an affiliate of Moody's) and CARE, along with the long-term foreign currency issuer rating assigned to the Company by Fitch, Standard & Poor's and Moody's, as follows:

Rating Agency	**Long-Term Rating**	**Short-Term Rating**
CRISIL	CRISIL AAA	CRISIL A1+
ICRA	ICRA AAA	ICRA A1+
CARE	CARE AAA	CARE A1+

Rating Agency	**Long-Term Rating**	**Outlook**
Fitch Ratings	BBB-	Stable
Standard & Poor (S&P)	BBB-	Stable
Moody's	Baa3	Stable

Summary financial information

*The following tables present our selected financial and other data. The selected financial data as of 1 April 2017, 31 March 2018 and 2019 and for each of the financial years ended 31 March 2018 and 2019 is derived from our consolidated and standalone audited financial statements for those periods and as of the dates indicated included elsewhere in this Note Offering Circular which have been prepared and presented in accordance with the Companies (Indian Accounting Standards) Rules 2015("**IND-AS**") (which may differ in material respects from generally accepted accounting principles in other jurisdictions).*

*The selected financial and other data for the financial years ended 31 March 2017 and 31 March 2018 (along with the consolidated and standalone financial statements) included in the Original Offering Circular had been prepared and presented in accordance with generally accepted accounting principles in the Republic of India ("**Indian GAAP**"). As such, if there is any inconsistency between the financial and other data disclosed/included in this Note Offering Circular and the financial and other data disclosed/included in the Original Offering Circular, the financial and other data disclosed/included in this Note Offering Circular shall prevail.*

For the purpose of presenting the selected consolidated financial and other data as of 1 April 2017 and 31 March 2018 and for the financial year ended 31 March 2018 below, the REC Acquisition has been evaluated as a business combination under common control and has been accounted based on the pooling of interest method. In compliance with Appendix C of IND-AS 103 (Business Combination) read together with IND-AS 1 (Presentation of Financial Statements), our consolidated audited financial statements (and thereby the selected consolidated financial and other data) as of 1 April 2017 and 31 March 2018 and for the financial years ended 31 March 2018 and 31 March 2019, have been prepared as if the business combination had occurred from the beginning of the preceding period (i.e. from 1 April 2017). For further details please see notes 1 and 3.18 to our consolidated audited financial statements as of and for the financial year ended 31 March 2019. As such, if there is any inconsistency between the financial and other data disclosed/included for the financial years ended 31 March 2017 and 31 March 2018 in this Note Offering Circular and the financial and other data disclosed/included for the financial years ended 31 March 2017 and 31 March 2018 in the Original Offering Circular, the financial and other data disclosed/included in this Note Offering Circular shall prevail.

<u>Selected Income Statement Information</u>

Consolidated Income Statement for Fiscal 2018 and 2019

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
	Revenue from Operations		
(i)	Interest Income	476,772.20	534,357.00
(ii)	Dividend Income	921.29	766.26
(iii)	Fees and Commission Income	5,669.80	3,741.10
(iv)	Other Operating Income	2,875.00	2,275.00

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
I.	**Total Revenue from Operations (i to iv) ....**	**486,238.29**	**541,139.36**
II.	Other Income	215.90	428.90
III.	**Total Income (I+II) ....**	**486,454.19**	**541,568.26**
	Expenses		
(i)	Finance Costs	302,888.30	346,209.60
(ii)	Net Translation/ Transaction Exchange Loss......................	2,324.70	10,414.20
(iii)	Fees and Commission Expense...	331.60	444.70
(iv)	Net Loss on Fair Value Changes.......................................	7,665.60	2,635.40
(v)	Impairment on Financial Instruments................................	46,932.30	(6,257.30)
(vi)	Cost of Services Rendered..	1,198.00	851.50
(vii)	Cost of Material Consumed..	79.50	-
(viii)	Changes in Inventories of Finished Goods and Work-in-Progress..	0.40	-
(ix)	Employee Benefits Expense	3,741.60	3,626.60
(x)	Depreciation and Amortization	146.80	154.90
(xi)	Corporate Social Responsibility Expenses	1,710.50	2,063.20
(xii)	Other Expenses	1,854.00	3,247.70
IV.	**Total Expenses (i to xii)..**	**368,873.30**	**363,390.50**
V.	**Profit/(Loss) before Exceptional Items and Tax (III-IV)**	**117,580.89**	**178,177.76**
VI.	Exceptional Items	-	-
VII.	Share of Profit/(Loss) in Joint Venture and Associates	213.50	442.53
VIII.	**Profit/(Loss) before Tax (V-VI+VIII) ....**	**117,794.39**	**178,620.29**
IX.	***Tax Expense***		
(i)	**Current Tax ....**		
	Current Year	46,568.90	41,827.50
	Earlier Years	99.40	(127.50)
(ii)	Deferred Tax..	(16,840.80)	10,517.60
	Total Tax Expense (i+ii)	**29,827.50**	**52,217.60**

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
X.	**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**	87,966.89	126,402.69
XI.	Profit/(Loss) From Discontinued Operations (After Tax)	-	-
XII.	**Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)**	**87,966.89**	**126,402.69**
XIII.	*Other Comprehensive Income*	-	-
(i)	**Items that will not be reclassified to profit or loss**	-	-
(a)	Re-Measurement Gains/(Losses) on Defined Benefit Plans	(6.20)	(230.00)
(b)	Changes in Fair Value FVOCI Equity Instruments	(3,222.20)	(2,022.50)
(c)	Share of Other Comprehensive Income/ (Loss) of Joint Venture Accounted for using Equity Method	(0.50)	(1.30)
(ii)	**Income Tax Relating to These Items**	-	-
(a)	Re-Measurement of Defined Benefit Plans	39.80	84.60
(b)	Net Gain/(Loss) on Fair Value of Equity Instruments	(1.00)	(6.80)
(iii)	**Items that will be reclassified to profit or loss**	-	-
(a)	Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	-	(770.80)
(b)	Share of other Comprehensive Income in Joint Venture accounted using equity method	29.20	-
(iv)	**Income Tax relating to items that will be reclassified to Profit and Loss**	-	269.30
	Other Comprehensive Income (A+B)	**(3,160.90)**	**(2,677.50)**
XIV.	**Total Comprehensive Income for the Year (XII+XIII)**	**84,805.99**	**123,725.19**
	Profit for the year attributable to:		
	Owners of the Company	66,886.90	99,208.60
	Non-Controlling Interest	21,080.00	27,194.10
		87,966.90	**126,402.70**
	Other Comprehensive Income for the Year		
	Owners of the Company	(3,187.70)	(2,390.50)
	Non-Controlling Interest	26.80	(287.00)
		(3,160.90)	**(2,677.50)**

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
	Total other Comprehensive Income for the Year		
	Owners of the Company	63,699.20	96,818.10
	Non-Controlling Interest	21,106.80	26,907.10
		84,806.00	**123,725.20**
XV.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations) (not annualised):**		
	Basic EPS	25.34	37.58
	Diluted EPS	25.34	37.58

Standalone Income Statement for Fiscal 2018 and 2019

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, standalone)	
		(Rs. in millions)	
	Revenue from Operations		
(i)	Interest Income	255,620.30	284,409.70
(ii)	Dividend Income	1,462.30	1,670.30
(iii)	Fees and Commission Income	2,675.90	1,490.20
(iv)	Net Gain on Fair Value Changes......................................	-	849.80
I.	**Total Revenue from Operations (i to iv) ....**	**259,758.50**	**288,420.00**
II.	Other Income	44.00	92.90
III.	**Total Income (I+II) ....**	**259,802.50**	**288,512.90**
	Expenses	-	-
(i)	Finance Costs	169,558.90	189,817.60
(ii)	Net Translation/ Transaction Exchange Loss (+)/Gain(-)....	2,131.00	5,202.30
(iii)	Fees and Commission Expense...	85.80	100.90
(iv)	Net Loss on Fair Value Changes......................................	1,931.90	-
(v)	Impairment on Financial Instruments................................	23,910.10	(8,714.80)
(vi)	Employee Benefits Expenses..	1,766.40	1,735.70

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, standalone)	
		(Rs. in millions)	
(vii)	Depreciation and Amortisation	64.10	61.40
(viii)	Corporate Social Responsibility Expenses	1,188.80	1,005.00
(ix)	Other Expenses	714.40	1,146.90
IV.	**Total Expenses (i to xii)**	**201,351.40**	**190,355.00**
V.	**Profit/(Loss) before Exceptional Items and Tax (III-IV)**	**58,451.10**	**98,157.90**
VI.	Exceptional Items	-	-
VII.	**Profit/(Loss) before Tax (V-VI+VIII)**	58,451.10	98,157.90
VIII.	***Tax Expense***	-	-
(i)	**Current Tax**	-	-
	Current Year	24,346.80	23,465.00
	Earlier Years	(10.70)	12.20
(ii)	Deferred Tax	(9,752.70)	5,151.50
	Total Tax Expense (i+ii)	**14,583.40**	**28,628.70**
IX.	**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**	**43,867.70**	**69,529.20**
X.	Profit/(Loss) From Discontinued Operations (After Tax)	-	-
XI.	**Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)**	**43,867.70**	**69,529.20**
XII.	***Other Comprehensive Income***	-	-
(i)	**Items that will not be reclassified to profit or loss**	-	-
(a)	Re-Measurement of Defined Benefit Plans	57.20	(36.30)
(b)	Net Gain/(Loss) on Fair Value of Equity Instruments	(3,312.40)	(1,548.80)
(ii)	**Income Tax Relating to These Items that will not be reclassified to Profit or Loss**	-	-
(a)	Re-Measurement of Defined Benefit Plans	17.80	16.90
(iii)	**Items that will be reclassified to Profit or Loss**	-	-
(a)	Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	-	(770.80)
(iv)	**Income Tax relating to items that will be reclassified to Profit and Loss**	-	269.30

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, standalone)	
		(Rs. in millions)	
	Other Comprehensive Income (A+B)....................................	**(3,237.40)**	**(2,069.70)**
XIII.	**Total Comprehensive Income for the Year (XII+XIII).......**	**40,630.30**	**67,459.50**
XIV.	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations) (not annualised):**		
	Basic EPS	16.62	26.34
	Diluted EPS..	16.62	26.34

Selected Balance Sheet Information

Consolidated Balance Sheet as at 1 April 2017, 31 March 2018 and 31 March 2019

	Particulars	As at 1 April 2017	As at 31 March 2018	As at 31 March 2019
		(audited, consolidated)		
		(Rs. in millions)		
	ASSETS			
1.	***Financial Assets***			
	Cash and Cash Equivalents....................................	45,449.90	8,250.40	7,250.30
	Bank Balance other than included in Cash and Cash Equivalents	36,840.50	20,242.70	156,064.10
	Derivative Financial Instruments	9,279.40	9,194.70	23,705.60
	Trade Receivables...	1,357.11	1,457.71	1,721.31
	Loans	4,290,232.70	4,948,896.30	5,736,612.80
	Investments	69,031.90	54,925.10	46,037.70
	Other Financial Assets	54,666.30	96,625.70	237,614.70
	Total Financial Assets	**4,506,857.81**	**5,139,592.61**	**6,209,006.51**
2.	***Non-Financial Assets***			
	Inventories..	0.40	-	-
	Current tax assets (net)..	3,974.30	5,423.10	9,259.00
	Deferred tax assets (net)..	57,078.20	73,935.50	63,697.40
	Investment Property	0.10	0.10	0.10
	Property, Plant & Equipment.................................	1,515.70	1,552.40	1,864.50
	Capital Work-in-Progress......................................	614.10	1,272.30	1,969.40
	Intangible Assets Under Development	14.60	14.60	15.90
	Other Intangible Assets	13.80	61.90	91.80
	Other non-financial assets	10,871.40	3,385.50	3,935.00
	Total Non-Financial Assets	**74,082.60**	**85,645.40**	**80,833.10**
	Assets Classified as Held for Sale........................	30.80	76.80	95.60
	Total Assets (1+2)..	**4,580,971.21**	**5,225,314.81**	**6,289,935.21**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1.	**Financial Liabilities**			
	Derivative Financial Instruments	4,228.70	5,584.30	6,649.90

	Particulars	As at 1 April 2017	As at 31 March 2018	As at 31 March 2019
			(audited, consolidated)	
			(Rs. in millions)	
	Trade Payables			
	(i) total outstanding dues of MSMEs......................	3.00	18.30	26.50
	(ii) total outstanding dues of creditors other than MSMEs..	458.90	648.70	722.60
	Debt Securities..	3,430,953.00	3,858,796.50	3,983,520.00
	Borrowings (other than Debt Securities)	332,919.30	487,115.90	1,270,070.70
	Subordinated Liabilities	65,598.50	65,601.20	141,284.60
	Other Financial Liabilities.....................................	220,460.00	246,074.10	245,742.80
	Total Financial Liabilities (1)...............................	**4,054,621.40**	**4,663,839.00**	**5,648,017.10**
2.	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	1,309.80	1,304.80	1,307.00
(b)	Provisions...	2,797.70	5,172.80	3,668.10
(c)	Other Non-Financial Liabilities	2,087.30	2,300.70	2,099.50
	Total Non-Financial Liabilities (2)......................	**6,194.80**	**8,778.30**	**7,074.60**
3.	**Liabilities Directly Associated with Assets Classified as Held for Sale...................................**	-	-	0.80
	Total Liabilities (1+2)..	**4,060,816.20**	**4,672,617.30**	**5,655,092.50**
4.	**EQUITY**			
(a)	Equity Share Capital	26,400.81	26,400.81	26,400.81
(b)	Other Equity..	347,824.90	371,944.50	444,811.70
	Equity Attributable to owners of the Company...	**374,225.71**	**398,345.31**	**471,212.51**
(c)	Non-controlling interest	145,929.30	154,352.20	163,630.20
	Total Equity (4)...	**520,155.01**	**552,697.51**	**634,842.71**
	Total Liabilities and Equity(1+2+3+4)................	**4,580,971.21**	**5,225,314.81**	**6,289,935.21**

Standalone Balance Sheet as at 1 April 2017, 31 March 2018 and 31 March 2019

	Particulars	As at 1 April 2017	As at 31 March 2018	As at 31 March 2019
			(audited, standalone)	
			(Rs. in millions)	
	ASSETS			
1.	***Financial Assets***			
(a)	Cash and Cash Equivalents....................................	428.70	5,377.10	3,084.80
(b)	Bank Balance other than included in Cash and Cash Equivalents	35,302.90	154.90	138,465.30
(c)	Derivative Financial Instruments	2,998.70	2,290.90	5,679.80
(d)	Loans	2,350,887.50	2,660,113.80	3,032,103.60
(e)	Investments	38,703.80	25,200.40	165,862.00
(f)	Other Financial Assets	52,494.31	52,769.11	53,764.01
	Total Financial Assets (1)....................................	**2,480,815.91**	**2,745,906.21**	**3,398,959.51**
2.	***Non-Financial Assets***			
(a)	Current tax assets (net)..	3,462.40	5,081.20	6,285.90
(b)	Deferred tax assets (net)	35,702.20	45,472.60	40,607.30
(c)	Property, Plant & Equipment.................................	240.10	260.80	277.40
(d)	Intangible Assets...	6.90	8.90	5.90
(e)	Other non-financial assets	10,105.30	2,354.80	2,420.90
	Total Non-Financial Assets (2)............................	**49,516.90**	**53,178.30**	**49,597.40**
	Total Assets (1+2)..	**2,530,332.81**	**2,799,084.51**	**3,448,556.91**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1.	**Financial Liabilities**			
	Derivative Financial Instruments	684.10	2,406.80	5,055.90
	Debt Securities...	1,944,443.40	2,068,117.90	2,055,844.90
	Borrowings (other than Debt Securities)	115,917.60	260,801.70	803,445.30
	Subordinated Liabilities	38,926.40	38,927.60	93,097.00
	Other Financial Liabilities.....................................	72,585.20	53,931.90	53,278.40
	Total Financial Liabilities (1)..............................	**2,172,556.70**	**2,424,185.90**	**3,010,721.50**

	Particulars	As at 1 April 2017	As at 31 March 2018	As at 31 March 2019
			(audited, standalone)	
			(Rs. in millions)	
2.	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	1,304.30	1,299.70	1,307.00
(b)	Provisions..	636.60	2,911.70	2,640.00
(c)	Other Non-Financial Liabilities	1,584.40	1,125.70	1,008.50
	Total Non-Financial Liabilities (2)......................	3,525.30	5,337.10	4,955.50
	Total Liabilities (1+2)..	2,176,082.00	2,429,523.00	3,015,677.00
3.	**EQUITY**			
(a)	Equity Share Capital	26,400.81	26,400.81	26,400.81
(b)	Other Equity...	327,850.00	343,160.70	406,479.10
	Total Equity (3)...	354,250.81	369,561.51	432,879.91
	Total Liabilities and Equity(1+2+3)....................	2,530,332.81	2,799,084.51	3,448,556.91

Selected Cash Flow Information

Consolidated Cash Flow Statement for Fiscal 2018 and 2019

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
I.	***Cash Flow from Operating Activities***		
	Profit before Tax...	**117,794.39**	**178,620.29**
	Add/(Less): Adjustments for		
	Loss on Derecognition of Property, Plant and Equipment (net)	9.80	12.30
	Depreciation & Amortisation...	146.80	154.90
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	1,587.24	3,630.44
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,453.60	10,775.80
	Net Change in Fair Value...	7,799.50	2,665.40
	Effective Interest Rate on Loans...	(218.83)	-91.38
	Impairment on Financial Instruments..................................	46,932.40	(6,257.30)
	Accrued Interest on investment	(4,937.80)	(5,055.90)
	Interest Subsidy Fund...	93.20	34.60
	Provision for interest under Income Tax Act, 1961..............	56.80	95.60
	Excess Liabilities written back	(37.00)	(16.80)
	Provision for Retirement Benefits etc.	723.90	560.90
	Dividend Income	(921.29)	(766.26)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	12.80	(7,886.30)
	Interest on Income Tax Refund...	(47.80)	(82.90)
	Share of Profit/Loss of Joint Venture accounted for using equity method..	(213.50)	(442.53)
	Operating profit before Working Capital Changes..........	**170,234.21**	**175,950.86**
	Increase / Decrease:		
	Loans (Net)	(706,276.61)	(780,821.20)
	Other Assets (Financial and Non-Financial)........................	(21,608.48)	(276,538.58)
	Derivative..	(6,359.20)	(16,110.70)

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, consolidated)	
		(Rs. in millions)	
	Liabilities and provisions	41,015.80	140,440.80
	Cash flow before Exceptional Items	**(522,994.28)**	**(757,078.82)**
	Exceptional Items	-	-
	Cash Flow from Operations Before Tax	**(522,994.28)**	**(757,078.82)**
	Income Tax paid	(48,525.33)	(46,268.90)
	Income Tax Refund	43.95	813.40
	Net Cash Flow from Operating Activities	**(571,475.66)**	**(802,534.32)**
II.	**Cash Flow From Investing Activities:**		
	Proceeds from disposal of Property, Plant and Equipment	4.40	2.80
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(897.70)	(994.60)
	Investments in Subsidiaries	0.00	(145,000.00)
	Interest on investment	5,096.50	4,111.46
	Dividend on investment	921.29	766.26
	Increase / Decrease in Other Investments	8,966.80	6,483.90
	Net Cash Used in Investing Activities	**14,091.29**	**(134,630.19)**
III.	**Cash Flow From Financing Activities:**		
	Issue of Bonds (including premium) (Net of Redemptions)	236,048.62	(47,370.15)
	Raising of Long Term Loans (Net of Repayments)	81,750.00	600,285.50
	Raising of Foreign Currency Loans (Net of Repayments)	179,426.80	133,531.80
	Raising of Subordinated Liabilities (Net of Redemptions)	0.00	75,627.00
	Raising of Commercial paper (Net of Repayments)	100,448.44	71,130.41
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(24,007.90)	133,571.70
	Unclaimed Bonds (Net)	34.10	(27.80)
	Unclaimed Dividend (Net)	12.00	5.30

	Year ended 31 March 2018	Year ended 31 March 2019
	(audited, consolidated)	
	(Rs. in millions)	
Payment of Interim Dividend*..	(44,641.49)	(25,114.96)
Payment of Corporate Dividend Tax...................................	(8,885.70)	(5,474.40)
Net Cash in-flow from Financing Activities......................	**520,184.87**	**936,164.40**
Net Increase / Decrease in Cash and Cash Equivalents....	**(37,199.50)**	**(1,000.10)**
Add : Cash and Cash Equivalents at beginning of the financial year..	45,449.90	8,250.40
Cash and Cash Equivalents at the end of the financial year	**8,250.40**	**7,250.30**
Details of Cash and Cash Equivalents at the end of the year:		
(i) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts..	2,113.10	3,694.10
In demand deposit accounts...	6,137.20	3,556.10
(ii) Cheques, Drafts on hand including postage and Imprest..	0.10	0.10
Total Cash and Cash Equivalents at the end of the year..	8,250.40	7,250.30

Standalone Cash Flow Statement for Fiscal 2018 and 2019

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, standalone)	
		(Rs. in millions)	
I.	***Cash Flow from Operating Activities***		
	Profit before Tax.	**58,451.10**	**98,157.90**
	Add/(Less): Adjustments for		
	Loss on Derecognition of Property, Plant and Equipment (net)	4.20	3.20
	Depreciation & Amortisation	64.10	61.40
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	(664.16)	(1,368.26)
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,989.70	5,190.70
	Net Change in Fair Value	1,931.90	(849.80)
	Effective Interest Rate on Loans	158.17	(104.68)
	Impairment on Financial Instruments	23,910.10	(8,714.80)
	Accrued Interest on investment	(2,535.00)	(2,886.00)
	Interest Subsidy Fund	93.20	34.60
	Provision for interest under Income Tax Act, 1961	-	58.60
	Excess Liabilities written back	-8.40	-
	Provision for Retirement Benefits etc.	723.90	560.90
	Dividend Income	(1,462.30)	(1,670.30)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(828.80)	(3.50)
	Interest on Income Tax Refund	(47.80)	(82.90)
	Operating profit before Working Capital Changes	**81,779.91**	**88,387.06**
	Increase / Decrease:		
	Loans (Net)	(331,530.21)	(363,217.60)
	Other Assets (Financial and Non-Financial)	34,253.52	(138,971.38)
	Derivative	498.60	110.00
	Liabilities and provisions	(5,774.50)	(6,686.90)
	Cash flow before Exceptional Items	**(220,772.68)**	**(420,378.82)**

		Year ended 31 March 2018	Year ended 31 March 2019
		(audited, standalone)	
		(Rs. in millions)	
	Exceptional Items	-	-
	Cash Flow from Operations Before Tax	**(220,772.68)**	**(420,378.82)**
	Income Tax paid	(26,329.53)	(25,447.60)
	Income Tax Refund	18.25	813.40
	Net Cash Flow from Operating Activities	**(247,083.96)**	**(445,013.02)**
II.	**Cash Flow From Investing Activities:**		
	Proceeds from disposal of Property, Plant and Equipment	2.20	1.10
	Purchase of Property, Plant and Equipment..........................	(93.20)	(79.30)
	Investments in Subsidiaries	-	(145,000.00)
	Interest on investment	2,715.60	2,432.46
	Dividend on investment	1,462.30	1,670.30
	Increase / Decrease in Other Investments.............................	10,191.00	2,779.70
	Net Cash Used in Investing Activities	**14,277.90**	**(138,195.74)**
III.	**Cash Flow From Financing Activities:**		
	Issue of Bonds (including premium) (Net of Redemptions) ..	40,463.12	(89,577.35)
	Raising of Long Term Loans (Net of Repayments)	85,250.00	356,785.50
	Raising of Foreign Currency Loans (Net of Repayments)	95,472.00	96,344.00
	Raising of Subordinated Liabilities (Net of Redemptions) ...	-	54,115.00
	Raising of Commercial paper (Net of Repayments)	70,300.04	29,700.01
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(24,007.90)	133,571.80
	Unclaimed Bonds (Net)	34.10	(27.80)
	Unclaimed Dividend (Net)	12.00	5.30
	Payment of Interim Dividend*...	(25,053.00)	-
	Payment of Corporate Dividend Tax....................................	(4,715.90)	-
	Net Cash in-flow from Financing Activities	**237,754.46**	**580,916.46**

	Year ended 31 March 2018	Year ended 31 March 2019
	(audited, standalone)	
	(Rs. in millions)	
Net Increase / Decrease in Cash and Cash Equivalents....	**4,948.40**	**(2,292.30)**
Add : Cash and Cash Equivalents at beginning of the financial year..	428.70	5,377.10
Cash and Cash Equivalents at the end of the financial year	**5,377.10**	**3,084.80**
Details of Cash and Cash Equivalents at the end of the year:		
(i) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts...	47.60	84.80
In demand deposit accounts...	5,329.50	3,000.00
(ii) Cheques, Drafts on hand including postage and Imprest..	-	-
Total Cash and Cash Equivalents at the end of the year..	**5,377.10**	**3,084.80**

Certain financial and operational parameters

The Issuer has a track record of consistent financial performance and growth:

- The Issuer's gross NPA ratio as of 31 March 2019 was 9.39% on a standalone basis and 8.37% on a consolidated basis[(1)]. The Issuer's net NPA ratio as of 31 March 2019 was 4.55% on a standalone basis and 4.19% on a consolidated basis [(2)].

Note:
(1) Gross NPA ratio is a percentage of gross NPA to gross loan assets.
(2) Net NPA ratio is a percentage of net NPA to gross loan assets.

- As of 31 March 2019, the Issuer's CRAR was 16.78% on a consolidated basis (of which 12.40% was attributable to Tier 1 Capital and 4.38% was attributable to Tier 2 Capital). The table below sets forth the Issuer's capital adequacy ratios on a standalone basis as at 31 March 2018 and 2019:

Particulars	As of 31 March 2018	As of 31 March 2019
	(Standalone) (%)	
CRAR	17.12	17.09
CRAR – Tier 1 Capital	14.04	11.73
CRAR – Tier 2 Capital	3.08	5.36

- The Issuer's interest income, interest expense, net interest income, net profit after tax and net worth for Fiscal 2018 and 2019 are as follows:

	Fiscal		Fiscal	
	2018	2019	2018	2019
	(Consolidated)		(Standalone)	
	(₹ million)			
Interest income	476,772.17	534,357.06	255,620.24	284,409.72
Interest expense	302,888.30	346,209.67	169,558.90	189,817.67
Net interest income	173,883.87	188,147.39	86,061.34	94,592.05
Net profit after tax................	87,966.89	126,402.69	43,867.70	69,529.20
Net worth.............................	552,697.51	634,842.71	369,561.51	432,879.91

- Certain key ratios of the Issuer on a standalone basis for Fiscal 2018 and 2019 are as follows:

	Fiscal	Fiscal
	2018	2019
	(Standalone)	
	(%)	
Yield on earning assets [(1)]	10.64	10.62
Cost of funds[(2)].....................	8.21	7.95
Net interest margin ("**NIM**") on earning assets[(3)]	3.47	3.37
Interest spread on earning assets[(4)]	2.43	2.67
Return on average net worth.	12.12	17.33
Return on average assets	1.65	2.23

Notes:
(1) Yield represents the ratio of interest income to average interest-earning assets.
(2) Cost of funds represents the ratio of interest expense and other charges (including resource mobilization expenses) to average interest-bearing liabilities.
(3) Net interest margin is the ratio of net interest income to average interest-earning assets.
(4) Spread is the difference between yield and cost of funds.

- The Issuer's total loan assets increased from ₹2,789,147.49 million as of 31 March 2018 to ₹3,146,669.16 million as of 31 March 2019, on a standalone basis. The following table sets forth certain information relating to the Issuer's total loan assets as of the dates indicated on a standalone basis, presented according to the type of project:

	As of 31 March			
Particulars	**2018**		**2019**	
	₹ million	**% of total**	**₹ million**	**% of total**
Generation				
- Thermal......................	1,662,937.52	59.62	1,734,285.98	55.12
- Hydro.........................	143,931.43	5.16	124,618.10	3.96
- Wind	58,220.16	2.09	69,608.67	2.21
- Solar...........................	55,236.63	1.98	74,840.40	2.38
Corporate term loan	77,083.33	2.76	74,818.97	2.38
Renovation and modernization (generation)				
- Thermal generation.....	44,954.61	1.61	44,624.41	1.42

Particulars	As of 31 March			
	2018		2019	
	₹ million	% of total	₹ million	% of total
- Hydro generation........	4,482.35	0.16	4,205.39	0.13
Transmission (including R&M)...........................	196,462.97	7.04	236,014.97	7.50
Distribution (including shunt capacitor and metering)	299,972.67	10.75	476,734.21	15.15
Short-term loans	113,009.62	4.05	125,822.70	4.00
Transitional finance	88,610.40	3.18	79,728.36	2.53
Others(1)	44,245.79	1.59	101,367.00	3.22
Total	**2,789,147.49**	**100.0**	**3,146,669.16**	**100.0**

Note:
(1) Others includes loans in relation to computerization, buyers' line of credit, equipment manufacturing, loans against receivables, and loans for renewable energy business, including renewable energy produced from biomass, waste to energy (other than biomass) and bagasse, among others.

- The following table sets forth certain information relating to the Issuer's total loan assets as of the dates indicated on a standalone basis, presented according to sector:

Particulars	As of 31 March			
	2018		2019	
	₹ million	% of total	₹ million	% of total
A. Public sector comprising:				
(i) State sector...............	1,820,694.51	65.28	2,143,692.10	68.12
(ii) Central sector	212,598.85	7.62	201,335.10	6.40
(iii) Joint sector.............	247,848.08	8.89	265,522.71	8.44
B. Private sector............	508,006.05	18.21	536,119.25	17.04
Total	**2,789,147.49**	**100.0**	**3,146,669.16**	**100.0**

- The following table sets forth certain information relating to loans disbursed by the Issuer in the periods indicated on a standalone basis, presented according to project type:

	Fiscal			
	2018		2019	
Scheme	₹ million	% of Total	₹ million	% of Total
Thermal generation	**218,524.61**	**33.93**	**160,585.23**	**23.73**
Hydel generation large (>25MW)	13,767.09	2.14	1,336.93	0.20
Transmission	32,432.12	5.03	42,127.09	6.22
R&M thermal	5,881.82	0.91	1,421.25	0.21
R&M hydel	644.41	0.10	101.74	0.02
Urban distribution.........	49,976.58	7.76	109,846.22	16.23
Computerization	0.00	0.00	140.94	0.02
Re: wind power	44,433.29	6.90	14,667.11	2.17
Re: solar power.............	42,594.83	6.61	21,638.45	3.20

	Fiscal			
	2018		2019	
Scheme	**₹ million**	**% of Total**	**₹ million**	**% of Total**
R&M transmission........	204.63	0.03	92.49	0.01
Studies	9.93	0.00	5.00	0.00
Short-term loan...........	**111,432.29**	**17.30**	**124,006.99**	**18.32**
Buyer line of credit	1,665.59	0.26	2,636.35	0.39
Associated Infrastructure	0.00	0.00	480.00	0.07
Corporate term loan	0.00	0.00	7,452.90	1.10
Counter part 'b' Rapdrp (PFC)	6,413.84	1.00	1,429.16	0.21
Corporate loan	2,000.00	0.31	0.00	0.00
Fuel sources development	105.54	0.02	0.00	0.00
Re: Hydel small (<=25MW)	182.90	0.03	1,464.84	0.22
Re: Waste to energy (other than biomass)	2,900.00	0.45	1,226.67	0.18
IPDS counterpart PFC loan	821.90	0.13	16,507.09	2.44
Medium term loan - generation.....................	38,632.00	6.00	31,768.00	4.69
Medium term loan - transmission	11,724.00	1.82	10,000.00	1.48
Medium term loan - distribution	58,500.00	9.08	124,000.00	18.32
Others...........................	1,290.95	0.20	3,841.50	0.57
Total	**644,138.32**	**100.00**	**676,775.94**	**100.00**

- The following table sets forth certain information relating to disbursements made by the Issuer in the periods indicated on a standalone basis, presented according to sector:

	Fiscal			
Particulars	**2018**		**2019**	
	₹ million	**% of total**	**₹ million**	**% of total**
A. Public sector comprising:				
(i) State sector	423,479.30	65.74	587,336.33	86.78
(ii) Central public sector	9,050.16	1.41	8,194.83	1.21
(iii) Joint sector	68,262.27	10.60	36,083.07	5.33
B. Private sector	143,346.58	22.25	45,161.71	6.67
Total...........................	**644,138.32**	**100.0**	**676,775.94**	**100.0**

- The following table sets forth certain information relating to the Restructured Accelerated Power Development and Reforms Program ("**R-APDRP**") (now subsumed under the Integrated Power Development Scheme ("**IPDS**")) and IPDS schemes in which the Issuer acts as the nodal agency:

	₹ million	**₹ million**
Scheme	**Sanctioned by MoP**	**Fund Released by MoP[(1)]**

	Fiscal 2019	Cumulative	Fiscal 2019	Cumulative
IPDS	33,870.0	320,587.44	27,539.19	80,179.05
R-APDRP.....	-	353,277.60	9,258.84	124,879.99

Note:
(1) Including funds released by the MoP for other than projects.

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

	As of 31 March			
	2018		2019	
	₹ million	**% of total**	**₹ million**	**% of total**
Rupee	2,112,782.70	92.04	2,596,009.40	90.01
Foreign currency[(1)(2)]	182,600.80	7.96	288,268.60	9.99
Total...............	**2,295,383.50**	**100.0**	**2,884,278.00**	**100.0**

Notes:
(1) The Rupee equivalents of foreign currency borrowings are based on foreign exchange rates prevailing at the end of the relevant fiscal period.
(2) As of 31 March 2019, the Issuer had outstanding foreign currency borrowings of U.S.$3,612.0 million, JPY60,078.8 million and €12.7 million (aggregate equivalent to U.S.$4,168.5 million, or 9.99% of the Issuer's total borrowings as of such date). As of 31 March 2019, U.S.$2,400.0 million and JPY9,670.3 million have been hedged for exchange rate risk and interest rate risks, respectively. Foreign currency liabilities not hedged by a derivative instrument or otherwise as of 31 March 2019 were U.S.$1,211.97 million, €12.66 million and JPY50,408.45 million.

- The following table sets forth certain information relating to our standalone Rupee borrowings as of the dates indicated:

	As of 31 March,	
Particulars	**2018**	**2019**
	(₹ million)	
Tax free bonds	122,751.10	122,751.10
Infrastructure bonds	2,843.20	2,786.30
Taxable bonds...	1,835,839.50	1,852,850.50
Capital gains tax exemption Bonds............	2,921.50	7,841.00
Term loans from banks and financial institutions[(1)]	331,028.20	898,049.10
Total..	**2,295,383.50**	**2,884,278.00**

Note:
(1) This includes short-term borrowings by way of loans against fixed deposits, commercial paper, working capital demand loans / overdrafts / cash credits and line of credit from other banks.

- The following table sets forth certain information relating to our standalone foreign currency borrowings by source, as of the dates indicated:

	As of 31 March	
	2018	**2019**
	(₹ million)	

	As of 31 March	
	2018	2019
	(₹ million)	
KFW (Kreditans Fur Wiederaufbau)......	530.43	480.61
ADB (Asian Development Bank)...........	873.62	827.96
Credit National France...........................	610.79	502.38
Syndicated loan 16................................	16,293.75	17,288.75
Syndicated loan 17................................	29,328.75	31,119.75
Syndicated loan 18................................	26,858.00	27,256.47
Syndicated loan 21................................	19,552.50	20,746.50
Syndicated loan 22................................	16,293.75	17,288.75
Syndicated loan 23................................	16,293.75	17,288.75
Syndicated loan 26................................	-	17,288.75
Syndicated loan 27................................	-	10,243.18
FCNR (B) loans....................................	29,895.45	44,950.75
3.75% bonds 2027	26,070.00	27,662.00
5.25% bonds 2028	-	20,746.50
6.15% bonds 2028	-	34,577.50
Total...	182,600.80	288,268.60

- As of 31 March 2019, the shareholding of the GoI is 59.05% of the paid-up equity capital of the Issuer. The following table sets out the list of the Issuer's shareholders along with their respective shareholding as of 31 March 2019:

No.	Name of shareholder	Shareholding (percentage of total shareholding)
1.	Government of India	59.05%
2.	FIIs & FPIs	16.63%
3.	Mutual Funds	11.79%
4.	Indian FIs & banks	6.95%
5.	Resident Individuals	4.01%
6.	Bodies Corporate	0.80%
7.	Employees	0.05%
8.	Others	0.72%

New subsidiary following REC Acquisition: REC Limited

Overview

On 28 March 2019, the REC Acquisition was completed with the Issuer acquiring the entire GoI holding of 52.63% in REC Limited.

REC Limited is a public financial institution engaged in financing in relation to the power sector throughout India. Its clients primarily include Indian public sector power utilities both at the central and state levels and private sector power utilities. The primary financial product of REC Limited is project-based long-term loans and it funds its business with market borrowings of various maturities, including bonds and term loans. The equity shares of REC Limited are listed on the National Stock Exchange of India Limited and the BSE Limited.

REC Limited commenced its operations in 1969 for the purpose of developing the power infrastructure in rural areas. It contributed to the development of rural India and India's agriculture through the funding of transmission and distribution projects in rural areas. Its mandate has evolved in accordance with the development priorities of the Government and, since Fiscal 2003, the

Government has permitted it to finance all segments of the power sector, including generation, transmission and distribution, throughout the country. It is one of only 16 Indian public sector undertakings to have been granted the "Navratna" status by the Department of Public Enterprise.

REC Limited's principal products are long-term loans (generally sanctioned with respect to a specific power-related project at project inception) and short-term loans (to meet immediate working capital requirements of borrowers, including the purchase of fuel for power plants, the conduct of system and network maintenance). Other products offered by REC Limited include, but are not limited to, debt refinancing, bridge loans, short-term loans to equipment manufacturers, equipment leasing and medium-term loans. All financial products of REC Limited are denominated in Indian Rupees.

Participation in Key Government programmes

The Government has initiated a number of programmes aimed at accelerating the growth and development of the power sector. REC Limited plays a key role in implementing the following major programmes:

- *Saubhagya - Pradhan Mantri Sahaj Bijli Har Ghar Yojana*

The Prime Minister of India launched the Saubhagya scheme on 25 September 2017 to achieve universal household electrification in India through electrification of all households in both rural and urban areas. REC Limited has been designated by the Ministry of Power as the nodal agency for operationalization of the Saubhagya scheme.

- *Deendayal Upadhyaya Gram Jyoti Yojana "**DDUGJY**"*

DDUGJY is the flagship scheme of the Government covering all aspects of rural power distribution. Under the scheme 60% of the project cost (85% for special states) is provided as grant by the Government and an additional grant of up to 15% (5% for special states) is provided by the Government on the achievement of prescribed milestones. All erstwhile rural electrification schemes have been subsumed in DDUGJY. REC Limited is the nodal agency for the operationalization of DDUGJY.

- *Integrated Power Development Scheme*

Sanction of the President of India was conveyed for the launch and implementation of an "Integrated Power Development Scheme" ("**IPDS**") with the following components:

(a) strengthening of sub-transmission and distribution networks in the urban areas;

(b) metering of distribution transformers, feeders and consumers in the urban areas; and

(c) IT enablement of the distribution sector and strengthening of the distribution network, according to the Cabinet Committee on Economic Affairs of India approval dated 21 June 2013, for the completion of the targets laid down under the Restructured Accelerated Power Development and Reforms Program ("**R-APDRP**") for the 12th Plan and 13th Plan by carrying forward the approved outlay for R-APDRP to IPDS.

SUPPLEMENTARY RISK FACTORS

The Issuer may face challenges as a result of, or difficulties in realising the benefits of, the REC Acquisition, any future merger of the Issuer with REC Limited's business and/or successfully integrating the acquired or (in the event of a merger) merged business.

On 28 March 2019, the Issuer completed its acquisition of the entire GoI holding of 52.63% in REC Limited pursuant to the decision of the Cabinet Committee on Economic Affairs of India in consideration of Rs. 145,000 million (the **REC Acquisition**). In addition, while there is a possibility that the Issuer may merge with REC Limited, there can be no assurance that such merger will take place in the near future or at all.

While the REC Acquisition 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, the Issuer 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 REC Limited and realising the Issuer's expectations for the REC Acquisition (and any future merger with REC Limited), including the benefits that may be realised, include, among other things:

- failure to implement the business plan for the combined business;
- delays or difficulties in completing the integration of REC Limited's business and/or its assets, leveraging synergies and/or rationalising operations;
- 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;
- 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 is an allegation by an investor that the Issuer did not disclose the potential REC Acquisition in the context of the Issuer's USD-denominated bond issuance in December 2018 notwithstanding the fact that the Issuer had no knowledge of the REC Acquisition at the time of the said issuance. The Issuer does not believe the allegation has any merit and has communicated the same to the investor.

To date, there has been no further response from that investor or any other investor of the Issuer's USD-denominated bonds issued in December 2018. There can be no assurance that any of the foregoing factors relating to the REC Acquisition (and any future merger with REC Limited) or any potential difficulties as a result of the REC Acquisition will not have a material adverse impact on the Issuer's business, financial condition, results of operations, performance and prospects. For example, to ensure the smooth integration of the Issuer's and REC Limited's respective businesses and to create synergies, a certain degree of optimization and integration will be required including in respect of customer/borrower management, financial accounting and human resources management across both businesses. However, it is uncertain whether such integration can be successfully implemented. If the relevant risks of such integration are not properly managed or the expected benefits of the REC Acquisition (and any future merger with REC Limited) fail to materialise, this may result in a deterioration of asset quality or loss of key employees or members of the senior management team, deterioration or loss of customer relationships and/or connections. Any of these factors could have a material and adverse effect on the Issuer's business, financial condition, results of operations, performance and prospects.

On page 157 of the Original Offering Circular, the paragraph headed "The Government may sell all or part of its shareholding in the Issuer that may result in a change in control of the Issuer" shall be replaced with the following:

"The Government may sell all or part of its shareholding in the Issuer that may result in a change in control of the Issuer.

While the GoI's shareholding in the Issuer is 59.05% as of 31 March 2019, it will continue to be classified as a GoI 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 Note Offering Circular, there is no legislation that places a mandatory requirement on the GoI to hold a minimum 51.0% shareholding in the Issuer or a merged entity (subsequent to any merger, including any potential merger with REC Limited). Therefore, the GoI may sell all or part of its shares in the Issuer, which may result in a change in control of the Issuer and which may, in turn, disqualify the Issuer from benefiting from certain regulatory exemptions and other benefits that may be applicable to the Issuer due to it being a public sector company. If a change of control were to occur, the Issuer cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of the outstanding Notes, as the source of funds for any such purchase will be its available cash or third party financing which it may not be able to obtain at the time."

On pages 150 to 151 of the Original Offering Circular, the paragraph headed "Failure to manage any acquisition that the Issuer makes may cause its profitability to suffer." shall be replaced with the following:

"Failure to manage any acquisition that the Issuer makes may cause its profitability to suffer.

The Issuer may take advantage of merger and acquisition opportunities in the future if suitable opportunities arise (including a potential merger with REC Limited – please see "*Supplementary Risk Factors – The Issuer may face challenges as a result of, or difficulties in realising the benefits of, the REC Acquisition, any future merger of the Issuer with REC Limited's business and/or successfully integrating the acquired or (in the event of a merger) merged business."*). These may require significant investments which may adversely affect the Issuer's business and revenues. Furthermore, the Issuer is not permitted to carry out any merger or acquisitions without prior approval from the GoI. Acquisitions involve additional risks, including the following:

- impact of unforeseen risks, such as contingent or latent liabilities relating to the acquired businesses that become apparent only after the merger or acquisition is finalized;

- success or failure of integration and management of the acquired operations and systems;

- success or failure of retention of select personnel; or

- impact of diversion of the Issuer management's attention from other on-going business concerns.

If the Issuer is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, its revenues and results of operations may be adversely affected."

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New Delhi — 110034
India

Gandhi Minocha & Co.
B-6, Shakti Nagar Extn
New Delhi — 110052
India

TRUSTEE, AND ISSUING AND PAYING AGENT AND EUROCLEAR/CLEARSTREAM TRANSFER AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

EUROCLEAR/CLEARSTREAM REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building - Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

ANNEX A: INDEX TO 2019 FINANCIAL STATEMENTS

Consolidated Financial Statements of Power Finance Corporation Limited as of and for the Year Ended 31 March 2019

Non-Consolidated Financial Statements of Power Finance Corporation Limited as of and for the Year Ended 31 March 2019

M.K. Aggarwal & Co.
Chartered Accountants,
30, Nishant Kunj,Pitam Pura,
New Delhi – 110034.
Ph. No. 011 47517171
E-mail: mka@mkac.in

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110052
Ph. No. 011-27303078
E-mail: gandhica@yahoo.com

Independent Auditors' Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of Power Finance Corporation Limited (hereinafter referred to as "Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, which comprise the consolidated balance sheet as at 31st March, 2019, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated:

Sr. No.	Key Audit Matter	Auditors' Response

1	**Credit impairment of financial instruments** The most significant areas where we identified greater levels of management Judgement are: • Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS. Selection of any other criteria can materially impact the ECL recognised for certain portfolios. • ECL model – Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed Stage 3 carrying value – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. Company has availed services of Crisil Ltd. to estimate the carrying value of its stage 3 portfolio. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	**Our procedures included:** • The assessment and calculation of material SICR indicators and criteria. • The accuracy of critical data elements input into the system used for computation of PD and LGD. • The completeness and accuracy of data flows from source systems into the ECL calculation. • Company has availed services of independent expert to estimate the carrying value of its stage 3 portfolio. We have reviewed the carrying value provided by such expert. **Our results:** We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable.
2	**Valuation of financial instruments at Fair Value** The Company and its subsidiary REC Ltd. enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorised at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our procedures included:** Company obtains fair value of derivative contracts from the counterparty banks. Our procedure include review of the fair vale obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value obtained from counterparty banks while considering other inputs.
3	**Recoverability of Company's Investment in Subsidiaries, Associates and Joint Ventures**	**Our procedures included:**

	Due to the materiality of the investment in the parent Company's financial statements and the related market risk associated with recoverability of investments, this was considered to be the area of focus.	Perusal of financial statements of all subsidiaries, associates and joint ventures. **Our results:** We did not find any material risk in recoverability of the investment.
4	**Information Technology** Control Performance In case of Parent Company The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.	**Our procedures included:** Evaluated sample of key controls operating over the information in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue

M.K. AGGARWAL & CO. Chartered Accountants

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements

M.K. AGGARWAL & CO. Chartered Accountants

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) The comparative financial information of the Group and its associates and jointly controlled entity for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31st March, 2018 and 31st March, 2017 dated 25.05.2018 and 29.05.2017 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its associates and jointly controlled entity on transition to the Ind AS, which have been audited by us with respect to Holding Company and by other auditors with respect to its adjusted subsidiaries, associates and jointly controlled entity.

Our opinion is not modified in respect of above matter.

(b) We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of ₹ 2,98,453.88 crore as at 31st March, 2019, total revenues of ₹ 25,431.33 crore and net cash flows amounting to ₹ 133.56 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Nil for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of fifteen associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

(c) We did not audit the financial statements / financial information of one subsidiary and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 6,994.55 crore as at 31st March, 2019, total revenues of ₹ 1,993.05 crore and net cash flows amounting to ₹ 17.44 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary & jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Group and its associates & jointly controlled entity, being Government Companies.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A.**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity - Refer Note No. 47 to the Consolidated Financial Statements;

ii. The group, its associates and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled company incorporated in India.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

M.K. Aggarwal

CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

Annexure - A to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

(Referred to in Para 1(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the consolidated financial statements for the year ended 31st March, 2019)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended 31st March, 2019, We have audited the internal financial controls with reference to consolidated financial statements of Power Finance Corporation Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial control with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

M.K. Agarwal & Co. Chartered Accountants 30, Nishant Kunj Pitampura New Delhi-34

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India have, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, the Statutory Auditors of one of the subsidiary companies (REC Ltd.) have reported in their consolidated report that, in all material aspects, an adequate internal financial controls system over financial reporting is existing except (i) strengthening of procedures for monitoring of utilization of funds disbursed to the borrowers, (ii) rotation of duties amongst some of the staff as per HR policy to be implemented, (iii) improvement in the system of allocation of common expenses by subsidiaries to its associates (SPV's), (iv) procedure to obtain periodical balance confirmation and timely obtaining Internal Audit Report and compliances thereby by subsidiaries.

OTHER MATTERS

Our aforesaid reports under Sub-section 3 (i) of Section 143 of the Act, on the internal financial controls with reference to financial statements in so far as applicable to two subsidiary companies and fifteen associate companies is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of one subsidiary and one jointly controlled entity, we have relied on the explanation provided by the management of holding company in absence of IFC report of such entity.

M.K. Aggarwal & Co. Chartered Accountants New Delhi

In our opinion, the same is not considered material for the consolidated financial statement of the Group, its associates and its jointly controlled entity.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

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PFC

Power Finance Corporation Limited

Consolidated Ind AS Financial Statements FY 2018-19

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 Standalone Financial Statements 1 to 72

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

(Bhupinder Singh)
Partner
Memebership No.-092867

Place : Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Statement of Profit and Loss for the Year ended March 31, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
	Revenue from Operations			
(i)	Interest Income	29	53,435.70	47,677.22
(ii)	Dividend Income	44	76.63	92.13
(iii)	Fees and Commission Income	30	374.11	566.98
(iv)	Other Operating Income	32	227.50	287.50
I.	**Total Revenue from Operations**		**54,113.94**	**48,623.83**
II.	Other Income	33	42.89	21.59
III.	**Total Income (I+II)**		**54,156.83**	**48,645.42**
	Expenses			
(i)	Finance Costs	34	34,620.96	30,288.83
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)		1,041.42	232.47
(iii)	Fees and Commission Expense	35	44.47	33.16
(iv)	Net Loss on Fair Value changes	31	263.54	766.56
(v)	Impairment on Financial Instruments	36	(625.73)	4,693.23
(vi)	Cost of services rendered		85.15	119.80
(vii)	Cost of material consumed		-	7.95
(viii)	Changes in inventries of finished goods and work-in-progress	37	-	0.04
(ix)	Employee Benefit Expenses	38	362.66	374.16
(x)	Depreciation and Amortisation	16	15.49	14.68
(xi)	Corporate Social Responsibility Expenses	46	206.32	171.05
(xii)	Other Expenses	39	324.77	185.40
IV.	**Total Expenses**		**36,339.05**	**36,887.33**
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		**17,817.78**	**11,758.09**
VI.	Exceptional Items		-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates		44.25	21.35
VIII.	**Profit/(Loss) Before Tax (V-VI+VIII)**		**17,862.03**	**11,779.44**
	Tax Expense:			
	(1) Current Tax			
	Current Year		4,182.75	4,656.89
	Earlier Years		(12.75)	9.94
	(2) Deferred Tax		1,051.76	(1,684.08)
IX.	**Total Tax Expense**		**5,221.76**	**2,982.75**
X.	**Profit/(Loss) for the year from Continuing Operations (VIII-IX)**		**12,640.27**	**8,796.69**
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	**Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)**		**12,640.27**	**8,796.69**
XIII.	**Other Comprehensive Income**			
(i)	Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(23.00)	(0.62)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(202.25)	(322.22)
	- Share of other Comprehensive Income / (Loss) in Joint Venture accounted using equity method		(0.13)	(0.05)
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		8.46	3.98
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(0.68)	(0.10)
(iii)	Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow		(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**

M.K. AGGARWAL & CO. Chartered Accountants 20, Nishant Kunj Pitampura New Delhi

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi

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) (not annualised):**			
	(1) Basic EPS (₹)		37.58	25.34
	(2) Diluted EPS (₹)		37.58	25.34

Accompanying notes to the Standalone Financial Statements 1 to 72

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No. 000458N

(Bhupinder Singh)
Partner
Memebership No.-092867

Place : Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(₹ in 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)
Fair Vaule Gain / Loss During the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Acturial Gain/(Loss) on defined Benefit Plans, Net off Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction cost arising on issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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.[illegible])	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)
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	2.85	(2.85)	-	-	-	-	-
Balance as at 31.03.2019	(13,461.00)	2,020.82	5,337.53	599.85	25,465.49	2,708.07	3,953.74	(1,172.29)	60.00	10,191.77	9,029.56	(204.45)	(50.14)	2.22	44,481.17	16,363.02	60,844.18

Accompanying notes to the Standalone Financial Statements 1 to 72

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

M.K. AGGARWAL & CO. ★ Chartered Accountants ★ 30, Nishant Kunj Pitampura, New Delhi-34

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

(Bhupinder Singh)
Partner
Membership No. 092867

Place : Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in Crore)

Sr. No.	Description	Year ended 31.03.2019		Year ended 31.03.2018	
I.	**Cash Flow from Operating Activities :-**				
	Profit before Tax	17,862.03		11,779.44	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	1.23		0.98	
	Depreciation and Amortisation	15.49		14.68	
	Amortization of discount on Zero Coupon Bonds and 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
	Details of Cash and Cash Equivalents at the end of the year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	369.41		211.31	
	In demand deposit accounts	355.61	725.02	613.72	825.03
	ii) Cheques, Drafts on hand including postage and Imprest		0.01		0.01
	Total Cash and Cash Equivalents at the end of the year		725.03		825.04

* Payment of interim dividend for FY 2017-18 of ₹ 4464.15 crore includes ₹ 446.04 crore pertaining to FY 2016-17.

Reconciliation of liabilities arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL etc.	Subordinated Debts	Total
	Opening Balance as at 01.04.2017	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

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 00458N

(Bhupinder Singh)
Partner
Memebership No. 092867

Place: Mumbai
Date: 29.05.2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1. Group Information

Power Finance Corporation Limited ("PFC" or the "Company") was incorporated in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001.

The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

Equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

These consolidated financial statements comprise the financial statements of the Company & its subsidiaries (referred to collectively as the 'Group'), its associates and the Group's interest in its joint ventures, as listed at Note 2.4 The Group is primarily engaged in extending financial assistance to power sector. Other business includes providing consultancy services to power sector and facilitation of development of Independent Transmission Projects (ITPs).

Acquisition of REC Limited (RECL):

The Company on 28.03.2019 has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹ 10/- per share) in REC Limited (RECL) (formerly Rural Electrification Corporation Limited) at ₹ 139.5036 per share for a total cash consideration of ₹ 14,500.00 crore. The difference between the consideration paid and the value of 52.63% stake in net identifiable assets of RECL (i.e. ₹ 18,181.74 crore) amounts to ₹ 3,681.74 crore.

RECL is also engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

The acquisition has been evaluated as a business combination under common control and has been accounted based on pooling of interest method as stated at Note 3.18. In compliance with Appendix C of Ind AS 103 'Business Combination' read with Ind AS 1 'Presentation of Financial Statements', the Consolidated financials have been prepared as if the business combination had occurred from the beginning of the preceding period i.e. 01.04.2017.

2. Statement of Compliance

2.1 The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. These are the Group's first Ind AS Consolidated Financial Statements and the date of transition is 01.04.2017.

The Group prepared its consolidated financial statements up to the year ended 31.03.2018, in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable RBI directions. The Group has followed the provisions of Ind AS 101-'First Time adoption of Indian Accounting Standards' in preparing its opening Ind AS Consolidated Balance Sheet as of the date of transition and adjustments were made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01.04.2017. The comparative figures have been presented in accordance with the same accounting principles that are used in preparation of the Group's first Ind AS consolidated financial statements.

The mandatory exceptions and optional exemptions availed by companies in the Group on First-time adoption have been detailed in Note 4. Further, in accordance with Ind AS 101, the Group has presented a reconciliation of total equity under previous GAAP & under Ind AS as at 31.03.2018 & 01.04.2017 and of the Profit after tax as

MINOCHA
New Delhi
CHARTERED ACCOUNTANTS

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%	

M.K. AGGARWAL & CO. Chartered Accountants F-21

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. Manoj sir line

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 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 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.

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(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.

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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.

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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

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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.

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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**

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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**

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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.

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(₹ 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.

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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	2.06	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**

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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 Tax Deducted at Source	10,639.57	11,094.50	11,491.45
(ii)	Less: Provision for Income Tax	(9,844.36)	(10,682.67)	(11,225.00)
(iii)	Advance income tax and TDS (Net of Income Tax provisions)	730.64	404.18	235.35
(iv)	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

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(₹ 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	59.58	-	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 (

(₹ 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).

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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**

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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.

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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**

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20 **Debt Securities**

The Company and its Subsidiary REC Ltd., have categorised Debt Securities at amortised cost in accordance with the

(₹ 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**

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20.1 Details of Infrastructure Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
In case of the Company							
1	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	2.75	30.03.2027	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	0.95	30.03.2027	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the
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**		

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20.2	Details of Tax Free Bonds outstanding are as follows:						
Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
In case of the Company							
1	7 35 TAX FREE BONDS 3 A	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**		
In case of Group's Subsidiary REC Ltd.							
1	Series 2015-16 Tranche-1	6.89% to 7.43%	417.73	417.73	417.73	05.11.2035	
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	[illegible]	07.06.2019	

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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	

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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%	[illegible]	-	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	[illegible]	

Chartered Accountants

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Chartered Accountants

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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
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 Company 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.

M.K. AGGARWAL & CO. Chartered Accountants New Delhi

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS New Delhi

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

(₹ 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	Redeemable in semi annual instalments
2	ADB		82.80	87.36	96.21	Semi Annual Installments Till	
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	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) -		-	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	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 (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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
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 31.03.2019	31.03.2018	01.04.2017	Date of Redemption	Redemption details
In case of the Company							
1	Bank of India	8.70%	2,000.00	-	-	21.01.2024	
2	Canara Bank	8.70%	1,000.00	-	-	28.12.2023	
3	United Bank of India	8.65%	1,000.00	-	-	24.12.2023	
4	HDFC Bank Ltd.	8.45%	750.00	-	-	05.10.2023	
5	State Bank of India	8.45%	6,000.00	-	-	27.09.2023	
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	Bullet 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 (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

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4	Bank of India	8.15% to 9.20%	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		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.

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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.

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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.

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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**

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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.

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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.

(D) 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.

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(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.

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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**

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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**	**-**

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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.

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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.

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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%

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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:

➢ <u>Quantitative factors</u>

- Debt/ EBITDA (20% weightage)
- Return on Capital Employed (30% weightage)
- Interest Coverage (20% weightage)
- Cash Interest Coverage (30% weightage)

➢ <u>Qualitative Factors</u>

- 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.

<u>Quantitative criteria</u>
The company has assumed that a 2 notch downgrade in credit rating since inception to be considered as significant increase in credit risk.

<u>Qualitative criteria</u>

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.

<u>Backstop</u>

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.

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(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	5,18,479.50	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)	8,984.76	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	2,764.00	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	[illegible]	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.
3	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.
4	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.
5	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).

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)

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(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

46.1 Details of gross amount required to be spent on CSR activities by the Group during the year:

(₹ in crore)

Particulars	FY 2018-19	FY 2017-18
Gross amount required to be spent	684.42	561.62
Amount spent during the year	206.32	170.21
Unspent amount	478.10	391.41

46.2 Amount spent during the year on CSR activities:

(₹ in crore)

		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	S2.67	-	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

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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 for the year	3,021.97	2,342.52
Profit attributable to the owners of the Company	2,719.41	2,108.00
Profit attributable to the non-controlling interests	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

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Gandhi Minocha & Co. New Delhi F-720 Chartered Accountants

(₹ 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

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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 31.03.2019 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 ₹ 531.3S 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.

56.2.4 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**

59.4 Details of financing of parent company products:

The Company does not have a parent company.

59.5 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company:

The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2018-19 and FY 2017-18.

60 Asset Liability Management Maturity pattern of items of Assets and Liabilities as prescribed by RBI :

In respect of the PFC

(₹ in crore)

Bucket as at 31.03.2019	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14,133.64	4,955.46	21,785.18	-	696.50
Over 1 Month upto 2 Months	1,833.07	1,928.13	4,915.00	-	-
Over 2 Months upto 3 Months	-	1,264.76	7,495.20	-	2,080.35
Over 3 Months upto 6 Months	-	9,225.21	10,292.05	-	-
Over 6 Months upto 1 Year	-	16,559.51	19,088.10	-	3,468.40
Over 1 Year & upto 3 Years	-	50,663.28	76,608.05	-	4,971.67
Over 3 Years & upto 5 Years	-	49,879.10	32,730.60	-	9,235.95
Over 5 Years		165,146.63	87,160.38	23.84	8,373.99

Note:- In the above table, the principal cash flows net of provision relating to Stage III assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

In respect of the subsidiary, RECL

(₹ in crore)

Bucket as at 31.03.2019	Investments	Loan Assets	Domestic Borrowings	Foreign Currency Items	
				Assets	Borrowings
Upto 30/31 Days	56.56	1,850.88	3,908.90	-	27.10
Over 1 Month upto 2 Months	-	1,316.82	1,140.25	-	1,848.36
Over 2 Months upto 3 Months	-	3,401.32	4,145.36	-	99.06
Over 3 Months upto 6 Months	-	7,627.17	11,942.27	-	1,110.68
Over 6 Months upto 1 Year	48.30	13,781.11	22,553.98	-	2,444.00
Over 1 Year & upto 3 Years	1,500.00	55,904.77	69,456.88	-	12,890.45
Over 3 Years & upto 5 Years	-	50,995.33	41,012.10	-	11,019.19
Over 5 Years	678.27	1,35,573.52	56,158.89	-	4,511.39

61 Penalty Imposed by the Regulator

In case of PFC,

NSE and BSE vide their letters dated 31.01.2019 have levied fine on the Company for non-compliance in regard to Regulation 17(1) i.e. Composition of Board of Directors and 19(1) i.e. Composition of Nomination & Remuneration Committee of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. The Company has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In case of the subsidiary, RECL

No penalties have been levied by any regulator during the year ended 31st March 2019 (Previous year Nil).

62 Credit Ratings

In respect of PFC

62.1Ratings 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:

(b) There are no Off-balance Sheet SPVs sponsored by the Company.

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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.

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68 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities

(₹ in crore)

	Particulars	As at 31.03.2019		As at 31.03.2018		As as 01.04.2017	
		Within 12 months	More than 12 months	Within 12 months	More than 12 months	Within 12 months	More than 12 months
	ASSETS						
1	**Financial Assets**						
(a)	Cash and Cash Equivalents	725.03	0.00	825.04	0.00	4,544.99	0.00
(b)	Bank Balance other than included in Cash & Cash Equivalents	15,606.41	0.00	2,024.27	0.00	3,682.00	2.05
(c)	Derivative Financial Instruments	430.84	1,939.72	163.76	755.71	17.92	910.02
(d)	Trade Receivable	172.13	0.00	145.77	0.00	135.71	0.00
(e)	Loans	73,948.42	4,99,712.86	65,668.98	4,29,220.65	62,357.10	3,66,666.17
(f)	Investments	1,037.32	3,566.45	1,601.42	3,891.09	1,896.67	5,006.52
(g)	Other Financial Assets	683.27	23,078.20	354.38	9,308.19	158.77	5,307.86
	Total financial assets (1)	**92,603.42**	**5,28,297.23**	**70,783.62**	**4,43,175.64**	**72,793.16**	**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 31.03.2019		As at 31.03.2019	
	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.

For and on behalf of the Board of Directors

(Manohar Balwani)
Company Secretary

(N.B. Gupta)
Director (Finance)
DIN – 00530741

(Rajeev Sharma)
Chairman & Managing Director
DIN – 00973413

Signed in terms of our report of even date

For M. K. Aggarwal & Co.
Chartered Accountants
Firm's Regn. No. 01411N

(CA M. K. AGGARWAL)
Partner
Membership No – **014956**

For Gandhi Minocha & Co.
Chartered Accountants
Firm's Regn. No. 000458N

(CA BHUPINDER SINGH)
Partner
Membership No – 092867

Place: Mumbai
Date: 29.05.2019

Form AOC - 1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "A" : Subsidiaries

(₹ in Crore)

A.	Subsidiaries	REC Ltd	PFC Consulting Limited (PFCCL)	Power Equity Capital Advisors Private Limited (PECAP)	REC Power Distribution Company Limited	REC Transmission Projects Company Limited
1	Information for the year ended as on[1]	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
2	Date of acquisition / incorporation	28.03.2019	25.03.2008	11.10.2011	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: No. of shares	Amount of Investments in Joint Venture/Associates	Extent of Group's Holding %	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: 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	NA	0.05	-	-
2	Coastal Karnataka Power Limited	31.03.2019	50,000	0.05	100%	the mandate from	NA	0.05	-	-
3	Coastal Maharashtra Mega Power Limited	31.03.2019	50,000	0.05	100%	Government of India	NA	0.05	-	-
4	Orissa Integrated Power Limited	31.03.2019	50,000	0.05	100%	(GoI).	NA	(0.08)	-	-
5	Coastal Tamil Nadu Power Limited	31.03.2019	50,000	0.05	100%	and the Company does	NA	0.08	-	-
6	Sakhigopal Integrated Power Limited	31.03.2019	50,000	0.05	100%	not have the practical	NA	0.05	-	-
7	Ghogarpalli Integrated Power Company Limited	31.03.2019	50,000	0.05	100%	ability to direct the	NA	0.05	-	-
8	Tatiya Andhra Mega Power Limited	31.03.2019	50,000	0.05	100%	relevant activities of these SPVs unilaterally.	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%	Therefore, investment in	NA	0.05	-	-
11	Odisha Infrapower Limited	31.03.2019	50,000	0.05	100%	these SPVs are considered as associates	NA	0.05	-	-
12	Deoghar Infra Limited	31.03.2019	50,000	0.05	100%	having significant	NA	0.05	-	-
13	Bihar Infrapower Limited	31.03.2019	50,000	0.05	100%	influence despite the	NA	0.05	-	-
14	Bihar Mega Power Limited	31.03.2019	50,000	0.05	100%	Company holding 100% of their paid-up equity	NA	0.05	-	-
15	Jharkhand Infrapower Limited	31.03.2019	50,000	0.05	100%	share capital.	NA	0.05	-	-
16	Dinchang Transmission Limited[4]	31.03.2019	50,000	0.05	100%	Holding 100% of shares and participation in management	Refer Note no 6	-	-	0.49
17	Udupi Kasargode Transmission Limited	31.03.2019	50,000	0.05	100%			(0.18)	-	(0.23)
18	Chandil Transmission Limited	31.03.2019	50,000	0.05	100%			(1.70)	-	(1.75)
19	Koderma Transmission Limited	31.03.2019	50,000	0.05	100%			(1.50)	-	(1.55)
20	Dumka Transmission Limited	31.03.2019	50,000	0.05	100%			(1.66)	-	(1.71)
21	Mandar Transmission Limited	31.03.2019	50,000	0.05	100%			(1.46)	-	(1.51)
22	Bhind-Guna Transmission Limited	31.03.2019	50,000	0.05	100%			(0.71)	-	(0.76)
23	Bijawar-Vidhrbha Transmission Limited	31.03.2019	10,000	0.01	100%	Holding 100% Control	NA	0.01	-	-
24	Vapi II-North Lakhimpur Transmission Limited	31.03.2019	10,000	0.01	100%		NA	0.01	-	-
25	Bhuj-II Transmission Limited	NA	10,000	0.01	100%		Refer Note no 6	0.01	-	-
26	Fatehgarh-II Transco Limited	NA	10,000	0.01	100%			0.01	-	-
27	Bikaner Khetri Transmission Limited	NA	10,000	0.01	100%			0.01	-	-
28	Ballabhgarh-GN Transmission Company Limited	31.03.2019	50,000	0.05	100%		NA	-	-	-
29	Mohindergarh-Bhiwani Transmission Limited	31.03.2019	50,000	0.05	100%		NA	-	-	-
30	South Central East Delhi Power Transmission Limited	31.03.2019	50,000	0.05	100%		NA	-	-	-
31	Tanda Transmission Company Limited	31.03.2019	50,000	0.05	100%		NA	-	-	-
32	Shongtong Karcham-Wangtoo Transmission Limited	31.03.2019	10,000	0.01	100%		NA	0.01	-	-

Note:

1. EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.
2. All the SPVs are under pre-operative stage and yet to commence operations.
3. Ghatampur Transmission Limited , Jawaharpur Firozabad Transmission Limited and Obra-C Badaun Transmission Limited have been transferred during the year.
4. Dinchang Transmission Limited are under process of winding-up.
5. Amount as per management approved financial statements as on 31.03.2019
6. Associates have been classified as 'held for sale' and valued at cost. Accordingly, the Profit/ (loss) has not been considered in Consolidated Financial Statements
7. Eight associate companies namely Ajmer Phagi Transco Limited, Jam Khambaliya Transco Limited, Khetri Transco Limited, WRSS XXI(A) Transco Limited ,Lakadia Banaskantha Transco Limited , Bhuj-II Transmission Limited, Bikaner-Khetri Transmission Limited and Fatehgarh-II Transco Limited have been incorporated after 1st January 2019 and in line with the provisions of the Companies Act, 2013, the first financial statements of these companies will be prepared for the period ended 31st March 2020.

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 00458N

(Bhupinder Singh)
Partner
Membership No.-092867

Place: Mumbai
Date: 29.05.2019

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M.K. Aggarwal & Co.
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Gandhi Minocha & Co.
Chartered Accountants,
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Independent Auditors' Report

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Power Finance Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated:

Sr. No.	Key Audit Matter	Auditors' Response
1	**Credit impairment of financial instruments** The most significant areas where we identified greater levels of management Judgement are: • Significant Increase in Credit Risk (SICR) – Company has classified SICR based on the indicator defined in Ind AS. Selection of any other criteria can materially impact the ECL recognised for certain portfolios. • ECL model – Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed Stage 3 carrying value – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. Company has availed services of Crisil Ltd. to estimate the carrying value of its stage 3 portfolio. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	**Our procedures included:** • The assessment and calculation of material SICR indicators and criteria. • The accuracy of critical data elements input into the system used for computation of PD and LGD. • The completeness and accuracy of data flows from source systems into the ECL calculation. • Company has availed services of independent expert to estimate the carrying value of its stage 3 portfolio. We have reviewed the carrying value provided by such expert. **Our results:** We considered the credit impairment charge and provision recognised and the related disclosures to be acceptable & satisfactory.
2	**Valuation of financial instruments at Fair Value** Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorised at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our procedures included:** Company obtains fair value of derivative contracts from the counterparty banks. Our procedure include review of the fair vale obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value obtained from counterparty banks

		while considering other inputs.
3	**Recoverability of Company's investment in Subsidiaries, Associates and Joint Ventures** The carrying value of the Company's investment in subsidiaries represents 33.50% of the Company's total net worth. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of Company's audit.	**Our procedures included:** Review of financial statements of all subsidiaries, associates and joint ventures. **Our results:** We did not find any material risk in recoverability of the investments.
4	**Information Technology** Control Performance The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.	**Our procedures included:** Evaluated sample of key controls operating over the information in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

OTHER MATTER

The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31st March, 2018 and 31st March, 2017 dated 25.05.2018 and 29.05.2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in

M.K. AGGARWAL & CO. Chartered Accountants

accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

M.K. AGGARWAL & CO. CHARTERED ACCOUNTANTS

CHARTERED ACCOUNTANTS New Delhi

the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in **Annexure "B"**.

3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

M.K. AGGARWAL & CO. Chartered Accountants

GANDHI MINOCHA & CO. New Delhi CHARTERED ACCOUNTANTS

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Company, being a government company.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure C.**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 39 to the standalone financial statements;

  ii. The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses;

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

Annexure A to Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the management carries out the physical verification of fixed assets once in a year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification necessitating any adjustment.

(c) According to information and explanations given to us, the records examined by us and based on the examination of conveyance deeds/ registered sale deed provided to us, we report that, the title deeds, comprising all immovable properties of land and buildings which are free hold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease, the lease agreement are in the name of the company.

ii. The Company is a Non-Banking Finance Company. Accordingly it does not hold any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

iii. As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Further, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

iv. The Company has not given any loans, investment, guarantees and securities which may be covered under section 185 and 186 of the Companies Act, 2013.

v. According to the information and explanations given to us, the Company has not accepted any deposit from public during the year within the meaning of section 73 to 76 or any other relevant provision of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

vi. The Central Government has not prescribed the maintenance of cost records under Sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

vii. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods & Service Tax and other material statutory dues as applicable to it and there is no undisputed amount payable in

M.K. AGGARWAL & CO. Chartered Accountants

GANDHI MINOCHA & CO. New Delhi CHARTERED ACCOUNTANTS

xiv. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.

xvi. The Company is a Non- Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

CA M.K. AGGARWAL
Partner
Membership No. 014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

Annexure-B to Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 2 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

As required under Section 143(5) of the Companies Act 2013, with respect to the directions and sub-directions issued by The Comptroller & Auditor General of India, we report that:

Sl. No.	Questionnaire	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company has a system in place to process all the accounting transactions through IT system. During FY 2018-19, all the accounting transactions have been processed through IT system. Since system of processing all financial transactions is in place, all transactions are done mandatorily through system only, as such question of processing of transactions outside IT system on the integrity of the accounts doesn't arise.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver / write off of debts / loans / interest etc. by a lender to the Company.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Funds released by Ministry of Power for the projects / schemes sanctioned under Integrated Power Development Scheme (R-APDRDP subsumed) have been properly accounted for and released onward to the beneficiaries as per guidelines and terms & conditions of sanction.
4	Keeping in view the expiry of exemption given by RBI to PFC from RBI's restructuring norms on 31.03.2017, the Company has been advised to seek a clarification from	The matter pertains to application of RBI's Restructuring/ Reschedulement / Renegotiation norms (RRR) on certain class of assets where exemption was available upto 31.03.2017.

	RBI with regard to the date of applicability of RBI restructuring norms, especially on the existing loans which were hitherto classified under the restructuring norms approved by MoP so that the financial statements for the year 2018-19 are finalized accordingly.	In this regard, it is submitted that the Company has adopted Ind AS w.e.f. 01.04.2018 as required under Companies (Indian Accounting Standards) Rules, 2015 and Ind AS does not prescribe such restructuring norms for asset classification and provisioning thereon. The asset classification and provisioning has been done in accordance with requirements of Ind AS.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 001411N
by the hand of

CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

Annexure C to the Independent Auditors' Report on the Audit of the Standalone Financial Statements

(Referred to in Para 3(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Power Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2019)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Power Finance Corporation Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR M.K. AGGARWAL & CO.
Chartered Accountants
Firm's Registration No.: 01411N
by the hand of

CA M.K. AGGARWAL
Partner
Membership No.014956

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 29.05.2019
Place: Mumbai

Power Finance Corporation Limited

Standalone Ind AS Financial Statements FY 2018-19

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

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 00045SN

(Bhupinder Singh)
Partner
Membership No.-092807

Place: Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
	Revenue from Operations			
(i)	Interest Income	23	28,440.97	25,562.03
(ii)	Dividend Income	36	167.03	146.23
(iii)	Fees and Commission Income	24	149.02	267.59
(iv)	Net Gain on Fair Value Changes	25	84.98	-
I.	**Total Revenue from Operations**		28,842.00	25,975.85
II.	Other Income	26	9.29	4.40
III.	**Total Income (I+II)**		28,851.29	25,980.25
	Expenses			
(i)	Finance Costs	27	18,981.76	16,955.89
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	37	520.23	213.10
(iii)	Fees and Commission Expense	28	10.09	8.58
(iv)	Net Loss on Fair Value changes	25	-	193.19
(v)	Impairment on Financial Instruments	29	(871.48)	2,391.01
(vi)	Employee Benefits Expenses	30	173.57	176.64
(vii)	Depreciation and Amortisation	13	6.14	6.41
(viii)	Corporate Social Responsibility Expenses	38	100.50	118.88
(ix)	Other Expenses	31	114.69	71.44
IV.	**Total Expenses**		19,035.50	20,135.14
V.	**Profit/(Loss) Before Exceptional Items and Tax (III-IV)**		9,815.79	5,845.11
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		9,815.79	5,845.11
	Tax Expense:	35		
	(1) Current Tax			
	Current Year		2,346.50	2,434.68
	Earlier Years		1.22	(1.07)
	(2) Deferred Tax		515.15	(975.27)
VIII.	**Total Tax Expense**		2,862.87	1,458.34
IX	**Profit/(Loss) for the year from Continuing Operations (VII-VIII)**		6,952.92	4,386.77
X	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XI	**Profit/(Loss) for the year (for continuing and discontinued operations) (IX+X)**		6,952.92	4,386.77
XII	**Other Comprehensive Income**			
(i)	Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(3.63)	5.72
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(154.88)	(331.24)
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.69	1.78
(iii)	Items that will be reclassified to Profit or Loss			
	Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(77.08)	-
(iv)	Income Tax relating to items that will be reclassified to Profit or Loss		26.93	-
	Other Comprehensive Income (A+B)		(206.97)	(323.74)
XIII	**Total Comprehensive Income for the year (XI+XII)**		6,745.95	4,063.03
XIV	**Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):**	41		
	(1) Basic EPS (₹)		26.34	16.62
	(2) Diluted EPS (₹)		26.34	16.62

Accompanying notes to the Standalone Financial Statements 1 to 57

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co
Chartered Accountants
Firm Regn No - 000458N

(Bhupinder Singh)
Partner
Membership No: 092867

Place: Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital (₹ in crore)

Particulars	Amount
Balance as at 01.04.2017	2,640.08
Changes during the year	-
Balance as at 31.03.2018	2,640.08
Changes during the year	-
Balance as at 31.03.2019	2,640.08

B. Other Equity (₹ in crore)

	Reserves and surplus												
Particulars	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	Equity Instruments through Other comprehensive Income	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	Total
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 Disribution 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 / Deletion 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 / Deletion during the year (net)	-	-	-	-	(2.30)	-	(413.31)	2.10	-	0.20	(0.80)		(414.11)
Balance as at 31.03.2019	1,413.94	3,740.21	599.85	17,498.27	2,014.25	2,776.54	(769.72)	60.00	7,438.68	6,202.53	(276.49)	(50.15)	40,647.91

Accompanying notes to the Standalone Financial Statements 1 to 57

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

(Bhupinder Singh)
Partner
Membership No. 092867

Place : Mumbai
Date: 29.05.2019

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Cash Flow Statement for the year ended March 31, 2019

(₹ in Crore)

Sr. No.	Description	Year ended 31.03.2019		Year ended 31.03.2018	
I.	**Cash Flow from Operating Activities :-**				
	Profit before Tax	9,815.79		5,845.11	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	0.32		0.42	
	Depreciation and Amortisation	6.14		6.41	
	Amortization of discount on Zero Coupon Bonds and 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**
	Details of Cash and Cash Equivalents at the end of the year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				

	In current accounts	8.48		4.76	
	In demand deposit accounts	300.00	308.48	532.95	537.71
	ii) Cheques, Drafts on hand including postage and Imprest		-		
	Total Cash and Cash Equivalents at the end of the year		308.48		537.71

* Payment of interim dividend for FY 2017-18 of ₹ 2505.30 crore includes ₹ 446.04 crore pertaining to FY 2016-17.

Reconciliation of liabilities arising from financing activities

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL	Subordinated Debts	Total
	Opening Balance as at 01.04.2017	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.

For and on Behalf of Board of Directors

(Manohar Balwani)
Company Secretary

(N. B. Gupta)
Director (Finance)
DIN - 00530741

(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.
Chartered Accountants
Firm Regn No - 01411N

(M.K. Aggarwal)
Partner
Membership No: 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn No - 000458N

(Bhupinder Singh)
Partner
Membership No. 092867

Place Mumbai
Date: 29.05.2019

Notes to the Standalone Financial Statements for the year ended March 31, 2019

1. Company Information

Power Finance Corporation Limited ("PFC" or the "Company") was incorporated in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110001.

The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

Equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

2. Statement of Compliance

2.1 The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. These are the Company's first Ind AS Standalone Financial Statements and the date of transition is 01.04.2017.

The Company prepared its standalone financial statements up to the year ended 31.03.2018, in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable RBI directions. The Company followed the provisions of Ind AS 101-'First Time adoption of Indian Accounting Standards' in preparing its opening Ind AS Standalone Balance Sheet as of the date of transition and adjustments were made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01.04.2017. The comparative figures have been presented in accordance with the same accounting principles that are used in preparation of the Company's first Ind AS standalone financial statements.

The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 4. Further, in accordance with Ind AS 101, the Company has presented a reconciliation of total equity under previous GAAP & under Ind AS as at 31.03.2018 & 01.04.2017 and of the Profit after tax as per Previous GAAP & Total Comprehensive Income as per Ind AS for the year ended 31.03.2018 as detailed in Note 43.

2.2 These standalone financial statements have been approved by Board of Directors (BoD) on 29.05.2019.

2.3 Standards issued but not yet effective

Ind AS 116 - Leases:

On 30.03.2019, Ministry of Corporate Affairs (MCA) has notified Ind AS 116 'Leases'. Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:

On 30.03.2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, entities need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that they have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income taxes:

On 30.03.2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement:

On 30.03.2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of these amendments is annual period beginning on or after 01.04.2019. The Company is currently evaluating the effect of these amendments on the Standalone financial statements.

3. Significant Accounting Policies

The significant accounting policies applied in preparation of the standalone financial statements are as given below:

3.1 Basis of Preparation and Measurement

These standalone financial statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.3 Derivative financial instruments

(i) The Company enters into a variety of derivative financial instruments such as Principal only swaps, Interest rate swaps, Options and forward contracts to manage its exposure to interest rate and foreign exchange rate risks.

(ii) The Company designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income. The gain or loss relating to ineffective portion is recognised immediately in Statement of Profit and Loss. Amounts recognised in Other Comprehensive Income (being effective portion) are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged item that

M.K. AGGARWAL & CO. Chartered Accountants F-154 are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.

(iii) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss

3.4 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), it's transaction costs is recognised in Statement of Profit and Loss.

3.4.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i)Classification and Measurement of Financial assets (other than Equity instruments)

a) Financial assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

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GANDHI MINOCHA & CO.

- 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.

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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.

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(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.

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(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.

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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

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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.

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(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.

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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

	Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:									
(i)	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

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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***			
(i)	- Rupee Term Loans (RTLs)	2,99,463.59	2,65,545.94	2,37,471.52
(ii)	- Foreign Currency Loans	240.99	240.99	260.13
(iii)	- Buyer's Line of Credit	1,759.67	1,627.97	1,586.96
(iv)	- Working Capital Loans	12,582.27	11,032.55	5,757.62
(v)	- Leasing (Refer Note 9.2)	223.77	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	396.64	345.47	290.58
(vii)	- Interest accrued but not due on Loans	4,630.80	4,059.14	4,244.12
(viii)	- Interest accrued & due on Loans	182.08	82.22	168.58
(ix)	- Unamortised Fee on Loans	(88.41)	(95.03)	(78.02)
	Gross Loans to Borrowers*	**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 No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit or Loss	At Fair Value: Subtotal	Others*	Total
(A)	**Investments**								
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	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 No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit or Loss	At Fair Value: Subtotal	Others*	Total
(A)	**Investments**								
(i)	**Debt securities**								
	- Bonds of Andhra Bank (Refer Note 32.4)	8,000	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)

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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).

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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**

M.K. AGGARWAL & CO. Chartered Accountants

GANDHI MINOCHA & CO. CHARTERED ACCOUNTANTS

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	Coupon 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	Coupon 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	7.36%	159.81	155.22	150.14	04.01.2028	
11	7.86% 15YEARS TAX FREE BONDS 2012-13 TR-I	7.86%	197.19	201.77	206.86	04.01.2028	
12	TAX FREE BONDS SERIES	7.38%	100.00	100.00	100.00	29.11.2027	
13	TAX FEE BOND SERIES	7.38%	25.00	25.00	25.00	22.11.2027	

Sr. No.	Bond Series	Coupoun Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
			31.03.2019	31.03.2018	01.04.2017		
14	8.30% PUBLIC ISSUE OF TAX FREE BONDS FY 11-	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 1B	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-	7.38%	43.77	45.23	46.01	28.03.2023	
27	7.19% 10YEARS TAX FREE BONDS 12-13 TR -I SERIES	7.19%	193.40	189.57	185.90	04.01.2023	
28	7.69% 10YEARS TAX FREE BONDS 2012-13 TR-I	7.69%	149.35	153.18	156.85	04.01.2023	
29	TAX FREE BONDS SERIES	7.22%	30.00	30.00	30.00	29.11.2022	
30	TAX FREE BOND SERIES	7.21%	255.00	255.00	255.00	22.11.2022	
31	8.20% PUBLIC ISSUE OF TAX FREE BONDS FY 11-	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	
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	

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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		
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	Redeemable at par on maturity
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	-	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	

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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		
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	Redeemable at par on maturity
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	

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		
172	Series 139-A	8.42%	-	-	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	Redeemable at par on maturity
2	CP-109	7.39%	1,500.00	-	-	16.09.2019	
3	CP-106	7.15%	3,000.00	-	-	13.05.2019	
4	CP-105	7.44%	2,500.00	-	-	15.04.2019	
5	CP-90	6.65%	-	1,925.00	-	10.08.2018	
6	CP-94	7.00%	-	2,000.00	-	25.06.2018	
7	CP-93B	7.40%	-	1,100.00	-	15.06.2018	
8	CP85	6.80%	-	1,105.00	-	15.05.2018	
9	CP-93A	7.30%	-	900.00	-	27.04.2018	
	Total		10,000.00	7,030.00	-		
	Less: Unamorized Financial Charges		284.08	105.26	-		
	Total		9,715.92	6,924.74	-		

15.9 The Bond Series 86D,86C,Series III,Series IV of Infrastructure Bonds are secured by First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.

15.10 The Bond Series I, II of Infrastructure Bonds are secured by charge on specfic book debt of ₹ 3,090,80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, 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.

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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.	Bond Series	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.	Bond Series	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.	Bond Series	Coupon 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
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**		

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(ii) Unsecured 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		
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	Bullet Repayment at the end of the tenor
16	Punjab National Bank	8.15%	2,000.00	-	-	24.05.2020	
17	India Infrastructure Finance Company Limited	7.99%	775.00	-	-	30.09.2019	
18	Andhra Bank	7.90%	-	277.07	-	30.09.2019	
19	India Infrastructure Finance Company Limited	7.70%	-	775.00	-	30.09.2019	
20	Andhra Bank	7.90%	-	1,722.93	-	29.09.2019	
21	Vijaya Bank	7.90%	-	1,000.00	-	05.09.2019	
22	Allahabad Bank	8.25%	2,000.00	-	-	08.08.2019	
23	Bank of Baroda	8.35%	2,000.00	-	-	30.07.2019	
24	Bank of Baroda	8.35%	999.55	-	-	22.07.2019	
25	Allahabad Bank	7.85%	-	2,000.00	-	28.05.2019	
26	State Bank of India	7.85%	-	2,000.00	-	30.04.2019	
27	State Bank of India	8.25%	3,000.00	-	-	19.04.2019	
28	State Bank of India	7.85%	-	1,000.00	-	19.04.2019	
29	ICICI Bank	7.90%	-	-	1,500.00	30.04.2018	
30	J&K	8.10%	-	-	500.00	30.04.2018	
	Total 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.	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	National Small Savings Fund Scheme (NSSF)	8.11%	7,500.00	-	-	27.12.2028	Bullet Repayment at the end of the tenor

16.6 Details of Loan against Term Deposits are as follows:

Sr. No.	Name of Bank	Principal Amount (₹ in crore) outstanding as at			Date of Redemption	Redemption details
		31.03.2019	31.03.2018	01.04.2017		
1	Tamilnad Mercantile Bank	382.00	-	-	03.04.2019	
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	Bullet 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**		

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16.7 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	-	-	08.04.2019	Bullet Repayment at the end of the tenor
2	Punjab National Bank	8.15 %	370.00	-	-	08.04.2019	Bullet Repayment at the end of the tenor
	Total WCDL / OD / CC / Line of Credit		620.00	-	-		

16.8 None of the borrowings have been guaranted by Directors.

16.9 There has been no default in repayment of borrowings and interest during periods presented above.

16.10 Refer Note No. 9 for carrying values of the receivable pledged as security against secured rupee term loans. Secured Rupee Term Loans are secured by first pari-passu charge in favour of Lending Bank on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to Lending Bank and/or others under/pursuant to the this security document except for those receivables already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited)

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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**

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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.

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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).

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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.

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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**

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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.

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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 get redeemed.

(ii) Securities Premium

Securities premium represents amount of premium received on issue of share capital net of expense incurred on issue of shares.This amount is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Foreign Currency Monetary Item Translation Difference Account

Foreign Currency Monetary Item Translation Difference Account represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (existing as on 31.03.2018) that are amortized over the tenure of the respective borrowings.

(iv) Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934

Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared.

(v) Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961

Reserve for Bad & doubtful debts have been created to avail income tax deduction under section 36(1)(viia)(c) of Income-Tax Act,1961.

(vi) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

Special reserve have been created to avail income tax deduction under section 36(1)(viii) of Income-Tax Act,1961 @ 20% of the profit before tax arrived from the business of providing long term finance in a year.

(vii) Interest Differential Reserve - KFW Loan

The reserve represents difference between the interest due and interest paid on kfw loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the Foreign currency borrowing from KFW, is adjusted against this reserve. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan.

(viii) General Reserve

General Reserve is created by transfer from other component of equities and used for appropriation purposes.

(ix) Retained earnings

Retained earnings represent profits and items of other comprehensive income recognised directly in retained earnings earned by the Company less dividend distributions and transfer to and from other reserves.

(x) Reserve for Equity Instruments through Other Comprehensive Income

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. This reserves represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognized as profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(xi) Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instrument entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve, will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

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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.

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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**	-

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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.

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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

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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:

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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.

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(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

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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.

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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.

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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

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(₹ 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

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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.

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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.

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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.

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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

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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.

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(₹ 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

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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)

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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

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(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.

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(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

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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).

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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**

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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**

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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					

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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 31.03.2019 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.

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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

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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.

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(₹ in Crore)

Particulars		Amount as on 31.03.2019		Amount as on 31.03.2018		Amount as on 01.04.2017	
Liabilities Side		outstanding	overdue	outstanding	overdue	outstanding	overdue
(1)	Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:						
(a)	Bonds : Secured	14,498.53	0.00	21,220.13	0.00	20,898.71	0.00
	: Unsecured	1,90,814.82	0.00	1,82,677.38	0.00	1,77,525.57	0.00
(b)	(i) Rupee Term Loans	46,542.21	0.00	10,541.42	0.00	2,000.43	0.00
	(ii) Foreign Currency Loans	20,592.26	0.00	15,703.01	0.00	7,302.32	0.00
(c)	Commercial Paper	9,715.92	0.00	6,924.74	0.00	-	0.00
(d)	Short Term Borrowings	13,357.29	0.00	-	0.00	2,400.79	0.00

Assets Side		Amount Outstanding as on 31.03.2019	Amount Outstanding as on 31.03.2018	Amount Outstanding as on 01.04.2017
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :			
(a)	Secured	1,98,393.65	1,88,209.46	1,72,472.57
(b)	Unsecured	1,16,323.18	90,815.16	73,071.87
(c)	Less: Impairment loss allowance	(16,057.16)	(16,939.76)	(14,835.73)
(d)	Loans and advances (net of provision)	2,98,659.67	2,62,084.86	2,30,708.71
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :			
(i)	Lease assets including lease rentals under sundry debtors:			
	(a) Financial lease	99.89	111.89	222.99
(4)	Break-up of Investments (Net of Provisions)			
	Current Investments			
1.	Quoted			
	(i) Shares			
	(a) Equity	935.09	1,126.04	1,258.03
2.	Unquoted			
	(i) Shares			
	(a) Equity	-	-	193.05
	Long Term Investments			
1.	Quoted			
	(i) Shares			
	(a) Equity	14,588.64	104.88	112.08
	(ii) Debentures and Bonds	809.84	809.84	1,827.90
2.	Unquoted			
	(i) Shares			
	(a) Equity	246.45	147.45	147.45
	(b) Preference			
	(ii) Debentures and Bonds	-	325.57	325.57
	(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)			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	-	0.52	0.52	-	0.52	0.50	-	0.50
2.	Other than related parties	1,98,493.02	1,16,126.96	3,14,619.98	1,88,320.83	90,645.21	2,78,966.04	1,72,695.06	72,956.83	2,45,651.89
	Total	1,98,493.54	1,16,323.18	3,14,816.72	1,88,321.35	90,815.16	2,79,136.51	1,72,695.56	73,071.87	2,45,767.43

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category		As on 31.03.2019		As on 31.03.2018		As on 01.04.2017	
		Market value / Break up$ or fair value or NAV	Book Value (Net of Provisions)	Market value / Break up$ or fair value or NAV	Book Value (Net of Provisions)	Market value / Break up$ or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties						
(a)	Subsidiaries	18,145.15	14,500.70	201.31	0.20	253.39	0.20
(b)	Companies in the same group	295.99	246.25	200.05	147.25	176.57	147.25
2.	Other than related parties	1839.25	1,839.25	2372.59	2,372.59	3722.93	3,722.93
	Total	20,280.39	16,586.20	2,773.95	2,520.04	4,152.89	3,870.38

(7) Other Information

Particulars		Amount (as on 31.03.2019)	Amount (as on 31.03.2018)	Amount (as on 01.04.2017)
(i)	Gross Non-performing Assets			
	(a) Other than related parties	29,540.31	26,866.80	12,286.29
(ii)	Net Non-performing Assets			
	(a) Other than related parties	14,519.30	12,625.58	7,393.71
(iii)	Assets acquired in satisfaction of debt (Gross value of investment)	-	-	-

$In case of negative break-up value, Nil value has been considered.

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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	2,106.897	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.

M.K. AGGARWAL & CO.

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57 Figures have been rounded off to the nearest crore of rupees with two decimals.

For and on behalf of the Board of Directors

(Manohar Balwani)
Company Secretary

(N.B. Gupta)
Director (Finance)
DIN – 00530741

(Rajeev Sharma)
Chairman & Managing Director
DIN – 00973413

Signed in terms of our report of even date

For M. K. Aggarwal & Co.
Chartered Accountants
Firm's Regn. No. 01411N

(CA M. K. AGGARWAL)
Partner
Membership No – 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm's Regn. No. 000458N

(CA BHUPINDER SINGH)
Partner
Membership No – 092867

Place: Mumbai
Date: 29.05.2019