

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110052

Dass Gupta & Associates
Chartered Accountants,
B-4, Gulmohar Park,
New Delhi – 110049

Independent Auditor's Review Report on Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31st December 2020 of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Power Finance Corporation Limited (the "Company") for the quarter and nine months ended 31.12.2020 together with the notes thereon (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors of the Company, in its meeting held on 11.02.2021, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatements.

Other Matters

5. The Company has continued to provide expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of document provided by an independent expert appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the expected credit loss calculation so provided by the said independent expert.



6. Refer Note. 5 of the standalone financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there is no reason to believe that the pandemic will have any significant impact on the ability of the Company to continue as a going concern.

Our conclusion on the statement is not modified in respect of above matters.

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N



CA MANOJ BHARDWAJ

Partner

Membership No. 098606

UDIN: 21098606AAAABB4007

Date: 11.02.2021

Place: New Delhi

FOR DASS GUPTA & ASSOCIATES

Chartered Accountants

Firm's Registration No.: 000112N



CA NARESH KUMAR

Partner

Membership No. 082069

UDIN: 21082069AAAAAX6310

Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi
Statement of Standalone Financial Results for the Quarter and Nine Months Ended 31.12.2020

(₹ in crore)

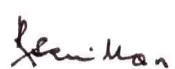
Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations						
(i)	Interest Income	9,327.18	9,193.91	8,144.03	27,270.10	23,665.16	31,950.42
(ii)	Dividend Income	644.07	6.60	25.41	650.67	26.65	1,289.52
(iii)	Fees and Commission Income	112.66	30.49	41.22	151.81	118.71	122.96
I.	Total Revenue from Operations	10,083.91	9,231.00	8,210.66	28,072.58	23,810.52	33,362.90
II.	Other Income	1.87	0.95	0.96	19.57	7.96	8.16
III.	Total Income (I+II)	10,085.78	9,231.95	8,211.62	28,092.15	23,818.48	33,371.06
	Expenses						
(i)	Finance Costs	5,885.11	5,829.42	5,497.92	17,390.71	16,302.87	21,853.19
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	(145.52)	(428.07)	343.78	(340.95)	881.39	2,633.42
(iii)	Fees and Commission Expense	2.19	3.27	2.58	8.44	6.66	10.76
(iv)	Net Loss / (Gain) on Fair Value changes	76.10	304.80	(55.17)	495.43	(262.55)	(699.05)
(v)	Impairment on Financial Instruments	1,397.21	953.17	(53.35)	2,703.42	558.52	991.22
(vi)	Employee Benefit Expenses	52.19	48.07	46.75	150.81	155.85	193.82
(vii)	Depreciation, Amortisation and Impairment	3.16	2.40	2.46	7.50	6.20	9.10
(viii)	Corporate Social Responsibility Expenses	6.85	5.28	8.32	217.19	44.60	97.15
(ix)	Other Expenses	16.90	18.06	22.88	46.11	60.21	88.91
IV.	Total Expenses	7,294.19	6,736.40	5,816.17	20,678.66	17,753.75	25,178.52
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	2,791.59	2,495.55	2,395.45	7,413.49	6,064.73	8,192.54
VI.	Exceptional Items	-	-	-	-	-	-
VII.	Profit/(Loss) Before Tax (V-VI)	2,791.59	2,495.55	2,395.45	7,413.49	6,064.73	8,192.54
	Tax Expense:						
(1)	Current Tax:						
-	Current Year	805.60	598.28	461.57	1,841.08	1,130.84	1,406.73
-	Earlier Years	-	-	-	43.52	-	17.75
(2)	Deferred Tax	(346.80)	(187.78)	253.76	(588.51)	713.75	1,112.92
VIII.	Total Tax Expense	458.80	410.50	715.33	1,296.09	1,844.59	2,537.40
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	2,332.79	2,085.05	1,680.12	6,117.40	4,220.14	5,655.14
X.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	2,332.79	2,085.05	1,680.12	6,117.40	4,220.14	5,655.14
XII.	Other Comprehensive Income						
(A)	(i) Items that will not be reclassified to Profit or Loss						
-	Re-measurement of Defined Benefit Plans	(1.27)	(1.28)	(3.17)	(3.82)	(2.72)	(5.09)
-	Net Gain / (Loss) on Fair Value of Equity Instruments	127.47	(38.18)	56.49	95.49	(74.65)	(287.11)
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss						
-	Re-measurement of Defined Benefit Plans	0.27	0.26	0.26	0.79	(0.06)	0.08
	Sub-Total (A)	126.47	(39.20)	53.58	92.46	(77.43)	(292.12)
(B)	(i) Items that will be reclassified to Profit or Loss						
-	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	29.70	26.57	33.15	(28.25)	20.20	(46.74)
-	Cost of Hedging Reserve	(20.53)	(22.33)	-	(36.39)	-	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss						
-	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(7.48)	(6.68)	(8.35)	7.11	(12.62)	4.23
-	Cost of Hedging Reserve	5.17	5.62	-	9.16	-	-
	Sub-Total (B)	6.86	3.18	24.80	(48.37)	7.58	(42.51)
	Other Comprehensive Income (A+B)	133.33	(36.02)	78.38	44.09	(69.85)	(334.63)
XIII.	Total Comprehensive Income for the period (XI+XII)	2,466.12	2,049.03	1,758.50	6,161.49	4,150.29	5,320.51
XIV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08
XV.	Other Equity (As per Audited Balance Sheet as at 31st March)	NA	NA	NA	NA	NA	42,524.05
XVI.	Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:						
(1)	For continuing operations (in ₹)	8.84	7.90	6.36	23.17	15.98	21.42
(2)	For discontinued operations (in ₹)	-	-	-	-	-	-
(3)	For continuing and discontinued operations (in ₹)	8.84	7.90	6.36	23.17	15.98	21.42

* EPS for the quarters and nine months is not annualised.
See accompanying Notes to the Standalone Financial Results.



Notes to the Standalone Financial Results:

1	The unaudited standalone financial results of the Company have been reviewed & recommended by Audit Committee and subsequently approved and taken on record by Board of Directors of the Company in their respective meetings held on 11.02.2021. The same have been limited reviewed by Joint Statutory Auditors of the Company viz. Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.																
2	The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.																
3	<p>Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company as per Ind AS 109 is as under.</p> <p style="text-align: right;">(₹ in crore)</p> <table><tr><th>S. No.</th><th>Particulars</th><th>As on 31.12.2020</th><th>As on 31.03.2020</th></tr><tr><td>a)</td><td>Credit Impaired loans</td><td>21,345.87</td><td>27,871.70</td></tr><tr><td>b)</td><td>Impairment Loss Allowance Maintained</td><td>12,959.44</td><td>14,748.46</td></tr><tr><td>c)</td><td>Impairment Loss Allowance Coverage (%) (b/a)</td><td>60.71%</td><td>52.92%</td></tr></table>	S. No.	Particulars	As on 31.12.2020	As on 31.03.2020	a)	Credit Impaired loans	21,345.87	27,871.70	b)	Impairment Loss Allowance Maintained	12,959.44	14,748.46	c)	Impairment Loss Allowance Coverage (%) (b/a)	60.71%	52.92%
S. No.	Particulars	As on 31.12.2020	As on 31.03.2020														
a)	Credit Impaired loans	21,345.87	27,871.70														
b)	Impairment Loss Allowance Maintained	12,959.44	14,748.46														
c)	Impairment Loss Allowance Coverage (%) (b/a)	60.71%	52.92%														
4	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.																
5	The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Company to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Company is given at Annexure - 'A' .																
6	For all secured bonds issued by the Company and outstanding as at 31.12.2020, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.																
7	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 is no reportable segment as per Ind AS 108.																
8	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.																


R.S. Dhillon
Chairman & Managing Director
DIN – 00278074

PLACE: NEW DELHI
DATE: 11.02.2021



Impact of COVID 19 on the Company

Post the lockdown period, the economic activities are gradually resuming. The rising power demand shows pickup in economic activities leading to higher commercial and industrial demand which was affected due to the coronavirus pandemic.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company, up to 31.01.2021, has sanctioned an amount of ₹ 59,067 crore under this scheme of liquidity package to eligible Discoms.

The Company has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Company continues to be well geared to meet its funding needs. It holds sufficient liquidity as well as adequate undrawn lines of credits from various banks. Considering high credit worthiness and well-established relationship of the Company with lenders, it can continue to mobilise sufficient funds from domestic & international markets.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Company will, inter alia, continue to be dependent on future developments relating to duration & severity of Covid-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector and on the NBFCs. The Company shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its business.



Independent Auditor's Review Report on Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2020 of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its associates and joint venture for the quarter and nine months ended 31.12.2020 together with the notes thereon (the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors in its meeting held on 11.02.2021, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Parent	
1.	Power Finance Corporation Limited
Subsidiaries[#]:	
1.	REC Limited
2.	PFC Consulting Limited
Joint Venture Entity:	
1.	Energy Efficiency Services Limited
Associates:	
1.	Coastal Maharashtra Mega Power Limited
2.	Orissa Integrated Power Limited



3.	Coastal Karnataka Power Limited
4.	Coastal Tamil Nadu Power Limited
5.	Chhattisgarh Surguja Power Limited
6.	Deoghar Infra Limited
7.	Bihar Infrapower Limited
8.	Sakhigopal Integrated Power Company Limited
9.	Ghogarpalli Integrated Power Company Limited
10.	Tatiya Andhra Mega Power Limited
11.	Deoghar Mega Power Limited
12.	Cheyur Infra Limited
13.	Odisha Infrapower Limited
14.	Bihar Mega Power Limited
15.	Jharkhand Infrapower Limited

**consolidated financial results considered for consolidation*

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the audit report of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

6. We did not review the unaudited financial results of one subsidiary included in the unaudited consolidated financial results, whose financial results reflect total revenues of ₹ 8,969.20 crore and ₹ 26,031.71 crore, total net profit after tax of ₹ 2,257.96 crore and ₹ 6,300.40 crore and total comprehensive income (net of tax) of ₹ 2,441.15 crore and ₹ 6,755.62 crore for the quarter and nine months ended 31.12.2020 respectively, as considered suitably in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above. The financial results of the subsidiary also includes share of net loss after tax of ₹ 10.94 crore and ₹ 6.42 crore and total comprehensive loss of ₹ 9.63 crore and ₹ 5.11 crore for the quarter and nine months ended 31.12.2020 respectively in respect of one joint venture (JV) which has not been reviewed. Since said JV is common JV in group accordingly these numbers are forming part of numbers mentioned in para 7 below.
7. The unaudited consolidated financial results includes the financial results of one other subsidiary which have not been reviewed, whose financial results reflect total revenues of ₹ 10.45 crore and ₹ 45.25 crore, total net profit after tax of ₹ (2.00) crore and ₹ 12.84 crore and total comprehensive income of ₹ (2.00) crore and ₹ 12.84 crore for the quarter and nine months ended 31.12.2020 respectively, as considered in the unaudited consolidated financial results.

The unaudited consolidated financial results also includes the Group's share of net loss after tax of ₹ 12.83 crore and ₹ 3.22 crore, total comprehensive loss of ₹ 11.52 crore and ₹ 1.91 crore for the quarter and nine months ended 31.12.2020 respectively, as considered in the unaudited consolidated financial results, in respect of fifteen associates and one joint venture, based on their financial results which have not been reviewed. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

8. The Parent Company and its Subsidiary, REC Ltd., have continued to provide expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of document



provided by an independent expert appointed by the respective company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the expected credit loss calculation so provided by the said independent expert(s).

9. Refer Note 6 of the unaudited consolidated financial results regarding the impact of COVID-19 pandemic on the group. Management is of the view that there is no reason to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern.

Our conclusion on the statement is not modified in respect of above matters.

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



CA MANOJ BHARDWAJ
Partner
Membership No. 098606
UDIN: 21098606AAAABC7523

FOR DASS GUPTA & ASSOCIATES
Chartered Accountants
Firm's Registration No.: 000112N



CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 21082069AAAAAY5862

Date: 11.02.2021
Place: New Delhi

Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi
Statement of Consolidated Financial Results for the Quarter and Nine Months Ended 31.12.2020

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations						
(i)	Interest Income	18,226.84	18,034.82	15,678.68	53,117.37	45,584.14	61,628.35
(ii)	Dividend Income	20.37	12.29	20.94	32.66	37.44	105.65
(iii)	Fees and Commission Income	138.33	61.95	53.26	214.73	147.67	161.91
(iv)	Other Operating Income	49.34	49.23	119.69	142.46	227.46	293.53
I.	Total Revenue from Operations	18,434.88	18,158.29	15,872.57	53,507.22	45,996.71	62,189.44
II.	Other Income	6.84	13.12	5.47	38.15	24.00	85.92
III.	Total Income (I+II)	18,441.72	18,171.41	15,878.04	53,545.37	46,020.71	62,275.36
	Expenses						
(i)	Finance Costs	11,330.12	11,240.39	10,264.20	33,439.36	30,354.03	40,844.65
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	(168.07)	(692.14)	696.80	(223.98)	1,906.54	4,991.32
(iii)	Fees and Commission Expense	2.52	5.00	6.69	17.36	21.61	36.20
(iv)	Net Loss / (Gain) on Fair Value changes	(44.16)	408.85	(162.32)	167.51	(354.67)	(673.20)
(v)	Impairment on Financial Instruments	2,127.74	1,749.20	28.26	4,431.61	921.45	1,910.83
(vi)	Cost of Services Rendered	35.64	15.27	22.37	69.16	53.79	85.18
(vii)	Employee Benefit Expenses	102.60	92.65	94.48	283.93	312.13	399.72
(viii)	Depreciation, Amortisation and Impairment	6.58	5.89	6.12	18.04	16.83	24.43
(ix)	Corporate Social Responsibility Expenses	29.30	17.47	39.53	327.58	127.47	356.44
(x)	Other Expenses	36.25	44.64	54.24	126.35	162.72	228.55
IV.	Total Expenses	13,458.52	12,887.22	11,050.37	38,656.92	33,521.90	48,204.12
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	4,983.20	5,284.19	4,827.67	14,888.45	12,498.81	14,071.24
VI.	Exceptional Items	-	-	-	-	-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates	(12.83)	4.76	6.56	(3.22)	17.98	21.43
VIII.	Profit/(Loss) Before Tax (V-VI)+VII.	4,970.37	5,288.95	4,834.23	14,885.23	12,516.79	14,092.67
	Tax Expense:						
(1)	Current Tax:						
-	Current Year	1,491.10	1,388.47	933.18	3,917.51	2,435.23	3,004.98
-	Earlier Years	(0.01)	-	53.87	177.24	64.17	83.02
(2)	Deferred Tax	(483.90)	(389.26)	460.46	(1,019.67)	1,233.84	1,527.42
IX.	Total Tax Expense	1,007.19	999.21	1,447.51	3,075.08	3,733.24	4,615.42
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)	3,963.18	4,289.74	3,386.72	11,810.15	8,783.55	9,477.25
XI.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-	-
XII.	Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)	3,963.18	4,289.74	3,386.72	11,810.15	8,783.55	9,477.25
XIII.	Other Comprehensive Income						
(A)	(i) Items that will not be reclassified to Profit or Loss						
-	Re-measurement of Defined Benefit Plans	(0.99)	(4.46)	(3.17)	(6.72)	5.24	(7.96)
-	Net Gain / (Loss) on Fair Value of Equity Instruments	175.46	(14.61)	112.62	232.00	(114.96)	(416.31)
-	Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	0.02	-	(0.08)	0.02	(0.33)	(0.25)
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss						
-	Re-measurement of Defined Benefit Plans	0.20	1.06	0.26	1.52	(2.06)	0.80
-	Net Gain / (Loss) on Fair Value of Equity Instruments	0.48	(2.13)	0.40	(4.47)	12.79	12.39
	Sub-Total (A)	175.17	(20.14)	110.03	222.35	(99.32)	(411.33)
(B)	(i) Items that will be reclassified to Profit or Loss						
-	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	53.54	30.01	33.15	(40.05)	20.20	(348.86)
-	Cost of Hedging Reserve	133.64	97.79	-	408.44	-	(273.61)
-	Share of Other Comprehensive Income / (loss) of Joint Venture accounted for using equity method	1.29	-	-	1.29	(3.14)	(3.94)
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss						
-	Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	(13.48)	(7.54)	(8.35)	10.08	(12.62)	80.27
-	Cost of Hedging Reserve	(33.64)	(24.61)	-	(102.80)	-	68.86
	Sub-Total (B)	141.35	95.65	24.80	276.96	4.44	(477.28)
	Other Comprehensive Income (A+B)	316.52	75.51	134.83	499.31	(94.88)	(888.61)



XIV.	Total Comprehensive Income for the period (XII+XIII)	4,279.70	4,365.25	3,521.55	12,309.46	8,688.67	8,588.64
	Profit attributable to:						
	- Owners of the Company	2,893.70	3,249.06	2,597.24	8,825.96	6,652.93	7,122.13
	- Non-Controlling Interest	1,069.48	1,040.68	789.48	2,984.19	2,130.62	2,355.12
		3,963.18	4,289.74	3,386.72	11,810.15	8,783.55	9,477.25
	Other Comprehensive Income attributable to:						
	- Owners of the Company	229.75	22.69	108.05	283.70	(83.13)	(626.28)
	- Non-Controlling Interest	86.77	52.82	26.78	215.61	(11.75)	(262.33)
		316.52	75.51	134.83	499.31	(94.88)	(888.61)
	Total Comprehensive Income attributable to:						
	- Owners of the Company	3,123.45	3,271.75	2,705.29	9,109.66	6,569.80	6,495.85
	- Non-Controlling Interest	1,156.25	1,093.50	816.26	3,199.80	2,118.87	2,092.79
		4,279.70	4,365.25	3,521.55	12,309.46	8,688.67	8,588.64
XV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08
XVI.	Other Equity (As per Audited balance Sheet as at 31st March)	NA	NA	NA	NA	NA	46,759.72
XVII.	Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:						
	(1) For continuing operations (in ₹)	10.96	12.31	9.84	33.43	25.20	26.98
	(2) For discontinued operations (in ₹)	-	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	10.96	12.31	9.84	33.43	25.20	26.98

* EPS for the quarters and nine months is not annualised.

See accompanying Notes to the Consolidated Financial Results.

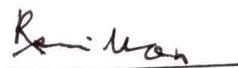


Notes to the Consolidated Financial Results:

1	The unaudited consolidated financial results of the Group have been reviewed & recommended by Audit Committee and subsequently approved and taken on record by Board of Directors of the Company in their respective meetings held on 11.02.2021. The same have been limited reviewed by Joint Statutory Auditors of the Company viz. Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.			
2	The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.			
3	Consolidated financial results for the quarter and nine months ended 31.12.2020 include limited reviewed consolidated result of one subsidiary and management approved results of one subsidiary, one joint venture entity and fifteen associates. Financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements', Ind AS 111 – 'Joint Arrangements' and Ind AS 28- 'Investments in Associates and Joint Ventures'.			
4	Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company and its subsidiary REC Ltd., as per Ind AS 109 is as under.			
	(₹ in crore)			
	S. No.	Particulars	As on 31.12.2020	As on 31.03.2020
	a)	Credit Impaired loans	39,566.49	49,127.25
	b)	Impairment Loss Allowance Maintained	24,233.44	25,300.59
	c)	Impairment Loss Allowance Coverage (%) (b/a)	61.25%	51.50%
5	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.			
6	The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Group to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Group is given at Annexure-'A' .			
7	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.			
8	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.			

PLACE: NEW DELHI

DATE: 11.02.2021



R.S. Dhillon

Chairman & Managing Director

DIN - 00278074



Impact of COVID 19 on the Group

Post the lockdown period, the economic activities are gradually resuming. The rising power demand shows pickup in economic activities leading to higher commercial and industrial demand which was affected due to the coronavirus pandemic.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company and its subsidiary REC Ltd, up to 31.01.2021, has sanctioned an amount of about ₹ 1,24,999 crore under this scheme of liquidity package to eligible Discoms.

The Group has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Group continues to be well geared to meet its funding needs. It holds sufficient liquidity as well as adequate undrawn lines of credits from various banks. Considering high credit worthiness and well-established relationship of the Group with lenders, it can continue to mobilise sufficient funds from domestic & international markets.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Group will, inter alia, continue to be dependent on future developments relating to duration & severity of Covid-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector and on the NBFCs. The Group shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its business.



Independent Auditor's Review Report on the Year to Date Unaudited Standalone Interim Financial Statements of the Company

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

1. We have reviewed the accompanying unaudited standalone interim financial statements of Power Finance Corporation Limited (the "Company") which comprise the Balance Sheet as at 31.12.2020, Statement of Profit & Loss, Statement of Cash flow and Statement of changes in equity for the period then ended and Significant Accounting Policies & Summarized Notes to Accounts thereon.
2. These interim financial statements are the responsibility of the Company's management and approved by the Board of Directors of the Company in its meeting held on 11.02.2021, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, and other accounting principles generally accepted in India. Our responsibility is to issue a report on these interim financial statements based on our review.
3. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone interim financial statements prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standard and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Standard on Review Engagements (SRE) 2410, including the manner in which it is to be disclosed, or that it contains any material misstatements.

Other Matter

5. The Company has continued to provide expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of document provided by an independent expert appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the expected credit loss calculation so provided by the said independent expert.
6. Refer Note 5 of the unaudited standalone interim financial statement regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there is no reason to believe that the pandemic will have any significant impact on the ability of the Company to continue as a going concern.



Our opinion on the statement is not modified in respect of above matter.

This report has been issued at the request of the company for the purpose of various fund raising programmes.

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N


CA MANOJ BHARDWAJ
Partner
Membership No.098606
UDIN: 21098606AAAABD6328

Date: 11.02.2021

Place: New Delhi

FOR DASS GUPTA & ASSOCIATES

Chartered Accountants

Firm's Registration No.: 000112N

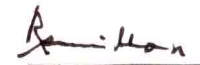

CA NARESH KUMAR
Partner
Membership No. 082069
UDIN: 21082069AAAAAZ4344

Power Finance Corporation Limited
Standalone Balance Sheet as at December 31, 2020

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.12.2020	As at 31.03.2020
	ASSETS			
1	Financial Assets			
(a)	Cash and Cash Equivalents	1	7,599.71	182.52
(b)	Bank Balance other than included in Cash and Cash Equivalents	2	44.70	16.47
(c)	Derivative Financial Instruments	3	1,268.60	1,863.42
(d)	Loans	4	3,55,907.48	3,34,112.60
(e)	Investments	5	16,840.97	16,473.32
(f)	Other Financial Assets	6	5,418.23	5,339.12
	Total Financial Assets (1)		3,87,079.69	3,57,987.45
2	Non- Financial Assets			
(a)	Current Tax Assets (Net)	7	378.32	651.31
(b)	Deferred Tax Assets (Net)		3,557.69	2,952.12
(c)	Property, Plant and Equipment	8	35.96	31.35
(d)	Intangible Assets	8	0.29	0.41
(e)	Right-of-use Assets	9	35.41	35.75
(f)	Other Non-Financial Assets	10	218.96	128.87
	Total Non- Financial Assets (2)		4,226.63	3,799.81
	Total Assets (1+2)		3,91,306.32	3,61,787.26
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Derivative Financial Instruments	3	648.22	599.82
(b)	Debt Securities	11	2,36,605.36	2,21,847.67
(c)	Borrowings (other than Debt Securities)	12	86,274.97	79,116.06
(d)	Subordinated Liabilities	13	9,885.82	9,310.95
(e)	Other Financial Liabilities	14	5,473.49	5,375.16
	Total Financial Liabilities (1)		3,38,887.86	3,16,249.66
2	Non- Financial Liabilities			
(a)	Current Tax Liabilities (Net)	7	43.35	0.11
(b)	Provisions	15	137.76	264.29
(c)	Other Non-Financial Liabilities	16	222.05	109.07
	Total Non- Financial Liabilities (2)		403.16	373.47
	Total Liabilities (1+2)		3,39,291.02	3,16,623.13
3	Equity			
(a)	Equity Share Capital	17	2,640.08	2,640.08
(b)	Other Equity	18	49,375.22	42,524.05
	Total Equity (3)		52,015.30	45,164.13
	Total Liabilities and Equity (1+2+3)		3,91,306.32	3,61,787.26

Significant Accounting Policies and Notes annexed hereto form an integral part of Interim Financial Statements



(R. S. Dhillon)

Chairman and Managing Director

DIN - 00278074

Place : New Delhi

Date : 11.02.2021

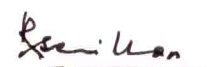


Power Finance Corporation Limited
Standalone Statement of Profit and Loss for the Nine Months Ended December 31, 2020

(₹ in crore)

Sr. No.	Particulars	Note No.	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
	Revenue from Operations			
(i)	Interest Income	19	27,270.10	23,665.16
(ii)	Dividend Income		650.67	26.65
(iii)	Fees and Commission Income	20	151.81	118.71
I.	Total Revenue from Operations		28,072.58	23,810.52
II.	Other Income	22	19.57	7.96
III.	Total Income (I+II)		28,092.15	23,818.48
	Expenses			
(i)	Finance Costs	23	17,390.71	16,302.87
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		(340.95)	881.39
(iii)	Fees and Commission Expense	24	8.44	6.66
(iv)	Net Loss / (Gain) on Fair Value changes	21	495.43	(262.55)
(v)	Impairment on Financial Instruments	25	2,703.42	558.52
(vi)	Employee Benefit Expenses	26	150.81	155.85
(vii)	Depreciation, Amortisation and Impairment	8/9	7.50	6.20
(viii)	Corporate Social Responsibility Expenses		217.19	44.60
(ix)	Other Expenses	27	46.11	60.21
IV.	Total Expenses		20,678.66	17,753.75
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		7,413.49	6,064.73
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) Before Tax (V-VI)		7,413.49	6,064.73
	Tax Expense:			
(1)	Current Tax:			
-	Current Year		1,841.08	1,130.84
-	Earlier Years		43.52	-
(2)	Deferred Tax		(588.51)	713.75
VIII.	Total Tax Expense		1,296.09	1,844.59
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)		6,117.40	4,220.14
X.	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)		6,117.40	4,220.14
XII.	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
-	Re-measurement of Defined Benefit Plans		(3.82)	(2.72)
-	Net Gain / (Loss) on Fair Value of Equity Instruments		95.49	(74.65)
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss			
-	Re-measurement of Defined Benefit Plans		0.79	(0.06)
	Sub-Total (A)		92.46	(77.43)
(B)	(i) Items that will be reclassified to Profit or Loss			
-	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		(28.25)	20.20
-	Cost of Hedging Reserve		(36.39)	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss			
-	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		7.11	(12.62)
-	Cost of Hedging Reserve		9.16	-
	Sub-Total (B)		(48.37)	7.58
	Other Comprehensive Income (A+B)		44.09	(69.85)
XIII.	Total Comprehensive Income for the period (XI+XII)		6,161.49	4,150.29
XIV.	Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):			
(1)	For continuing operations (in ₹)		23.17	15.98
(2)	For discontinued operations (in ₹)		-	-
(3)	For continuing and discontinued operations (in ₹)		23.17	15.98

EPS for the nine months is not annualised



(R. S. Dhillon)

Chairman and Managing Director

DIN - 00278074

Place : New Delhi

Date : 11.02.2021



Power Finance Corporation Limited
Standalone Statement of Changes in Equity for the Nine Months ended December 31, 2020

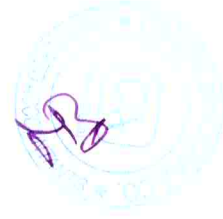
A. Equity Share Capital

Particulars	Opening Balance	Changes during the period	Closing Balance
9M 2019-20	2,640.08	-	2,640.08
9M 2020-21	2,640.08	-	2,640.08

B. Other Equity

Particulars	Reserves and Surplus										Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viii)(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	Debiture Redemption Reserve	Securities Premium	Foreign Currency 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	Cost of Hedging Reserve	
Balance as at 31.03.2019	1,413.94	3,740.21	599.85	17,498.27	2,014.25	2,776.54	1,769.72	60.00	7,438.68	6,202.53	(276.49)	(50.15)	-	40,647.91
Profit for the period	-	-	-	-	-	-	-	-	-	4,220.14	-	-	-	4,220.14
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(2.78)	-	-	-	(2.78)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	844.03	268.73	-	1,181.90	-	-	-	-	-	4,217.36	(74.65)	7.58	-	(67.07)
Transfer to / from Retained Earnings	-	(1,543.23)	-	-	-	-	-	-	-	(2,294.66)	(74.65)	7.58	-	4,150.29
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	3,557.48	-	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	(254.12)	254.12	-	-	-
Additions / Deletions during the period (net)	-	-	-	-	-	-	(211.20)	1.88	-	(1.88)	-	-	-	-
Balance as at 31.12.2019	2,257.97	2,465.71	599.85	18,680.17	-	2,776.54	(980.92)	61.88	10,996.16	7,869.23	(97.02)	(42.57)	-	44,587.00
Balance as at 31.03.2020	2,544.96	2,514.17	599.85	18,848.40	-	2,776.54	(1,441.18)	61.40	10,983.81	6,042.40	(313.64)	(92.66)	-	42,524.05
Profit for the period	-	-	-	-	-	-	-	-	-	6,117.40	-	-	-	6,117.40
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	(3.03)	-	-	-	(3.03)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	1,223.48	454.12	-	1,932.79	-	-	-	-	-	6,114.37	95.49	(21.14)	(27.23)	47.12
Transfer to / from Retained Earnings	-	(2,516.57)	-	-	-	-	-	-	-	(3,610.39)	95.49	(21.14)	(27.23)	6,161.49
Utilisation of reserve against bad debts written off	-	7.30	-	332.38	-	-	689.67	1.29	2,516.57	-	-	-	-	-
Additions / Deletions during the period (net)	-	459.02	599.85	21,113.57	-	2,776.54	(751.51)	62.69	13,500.38	8,205.42	(218.15)	(113.80)	-	689.68
Balance as at 31.12.2020	3,768.44	459.02	599.85	21,113.57	-	2,776.54	(751.51)	62.69	13,500.38	8,205.42	(218.15)	(113.80)	(27.23)	49,375.22

Place : New Delhi
Date : 11.02.2021



R. S. Dhillon

(R. S. Dhillon)
Chairman and Managing Director
DIN - 00278074

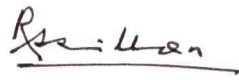
Power Finance Corporation Limited
Standalone Statement of Cash Flows for the Nine Months ended December 31, 2020

Sr. No.	Description	Nine Months Ended 31.12.2020		Nine Months Ended 31.12.2019	
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	7,413.49		6,064.73	
	Adjustments for:				
	Loss on derecognition of Property, Plant and Equipment (net)	0.83		0.69	
	Depreciation and Amortisation	7.50		6.20	
	Interest expense on Zero Coupon Bonds and Commercial Papers	(33.43)		278.70	
	Unrealised Foreign Exchange Translation Loss / (Gain)	280.78		524.66	
	Net Change in Fair Value	495.43		(262.55)	
	Impact of Effective Interest Rate on Loans	2.92		0.02	
	Impairment on Financial Instruments	2,703.42		558.52	
	Interest income on Investments	(199.98)		(165.72)	
	Interest on Interest Subsidy Fund	1.06		1.02	
	Provision for Retirement Benefits etc.	41.80		41.30	
	Dividend Income	(650.67)		(26.65)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	86.46		(126.18)	
	Interest on Income Tax Refund	(9.67)		(0.57)	
	Interest expenses on Lease Liability	0.59		0.58	
	Operating profit before Working Capital Changes:	10,140.53		6,894.75	
	Increase / Decrease :				
	Loans (Net)	(24,790.09)		(21,277.42)	
	Other Financial and Non-Financial Assets	(142.16)		13,744.56	
	Derivative	73.50		(161.11)	
	Other Financial & Non-Financial Liabilities and Provisions	1,799.97		1,981.88	
	Cash Flow from Operations Before Tax	(12,918.25)		1,182.65	
	Income Tax paid	(1,862.66)		(1,294.57)	
	Income Tax Refund	294.12		56.84	
	Net Cash flow from Operating Activities		(14,486.79)		(55.08)
II.	Cash Flow From Investing Activities :				
	Proceeds from disposal of Property, Plant and Equipment	0.09		0.08	
	Purchase of Property, Plant and Equipment	(12.57)		(8.39)	
	Interest income on investment	125.07		99.90	
	Dividend on investment	601.87		26.65	
	Increase / Decrease in Other Investments	8.86		(150.19)	
	Net Cash Used in Investing Activities		723.32		(31.95)
III.	Cash Flow From Financing Activities :				
	Raising of Bonds (including premium) (Net of Redemptions)	11,192.24		5,152.82	
	Raising of Long Term Loans (Net of Repayments)	8,971.00		2,897.63	
	Raising of Foreign Currency Loans (Net of Repayments)	(65.99)		12,028.16	
	Raising of Commercial paper (Net of Repayments)	3,120.00		(7,000.00)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(2,038.36)		(13,257.18)	
	Unclaimed Bonds (Net)	1.65		(0.62)	
	Unclaimed Dividend (Net)	0.51		(0.09)	
	Payment of Lease Liability	(0.39)		(0.39)	
	Net Cash in-flow from Financing Activities		21,180.66		(179.68)
	Net Increase / Decrease in Cash and Cash Equivalents		7,417.19		(266.70)
	Add : Cash and Cash Equivalents at beginning of the financial year		182.52		310.09
	Cash and Cash Equivalents at the end of the period		7,599.71		43.39
	Details of Cash and Cash Equivalents at the end of the period:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	152.04		43.39	
	In Term Deposit Accounts	7,197.64	7,349.68	-	43.39
	ii) Cheques, Drafts on hand including postage and Imprest		0.00		0.00
	iii) Investment in Mutual Funds (original maturity upto 3 months)		250.03		-
	Total Cash and Cash Equivalents at the end of the period		7,599.71		43.39

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

Place : New Delhi
Date : 11.02.2021




(R. S. Dhillon)
Chairman and Managing Director
DIN - 00278074

1 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	152.04	182.52
	- In Term Deposit Accounts	7,197.64	-
(ii)	Cheques, Drafts on hand including Postage and Imprest	0.00	0.00
(iii)	Investment in Mutual Funds (original maturity upto 3 months)	250.03	-
	Total Cash and Cash Equivalents	7,599.71	182.52

2 Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Earmarked Balances with Banks for		
	- Unpaid Dividend	3.99	3.48
	- Unpaid - Bonds / Interest on Bonds etc.	13.70	12.99
	- Amount received under IPDS / R-APDRP scheme	3.15	0.00
	- Fixed Deposits with Banks - for Redemption of Debentures	23.86	-
	Total Bank Balance other than included in Cash and Cash Equivalents	44.70	16.47



3 Derivative Financial Instruments

The Company enters into derivative contracts for hedging 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 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 31.12.2020			As at 31.03.2020		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	Currency Derivatives						
	- Spot and Forwards	3,126.69	11.88	72.08	5,371.88	182.87	20.23
	- Currency Swaps	11,688.58	852.65	-	12,061.74	1,400.21	-
	- Options	4,748.48	-	56.62	-	-	-
	Total Currency Derivatives	19,563.75	864.53	128.70	17,433.62	1,583.08	20.23
(ii)	Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	14,838.18	404.07	519.52	17,517.14	280.34	579.59
	Total Interest Rate Derivatives	14,838.18	404.07	519.52	17,517.14	280.34	579.59
	Total Derivative Financial Instruments (i+ii)	34,401.93	1,268.60	648.22	34,950.76	1,863.42	599.82

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	10,592.77	156.39	56.62	6,030.87	428.11	-
	- Interest Rate Derivatives	3,652.68	-	213.57	3,769.30	-	233.57
	Total Cash Flow Hedging (Designated)	14,245.45	156.39	270.19	9,800.17	428.11	233.57
(ii)	Undesignated Derivatives						
	- Undesignated Derivatives	20,156.48	1,112.21	378.03	25,150.59	1,435.31	366.25
	Total Undesignated Derivatives	20,156.48	1,112.21	378.03	25,150.59	1,435.31	366.25
	Total Derivative Financial Instruments (i+ii)	34,401.93	1,268.60	648.22	34,950.76	1,863.42	599.82



[Handwritten signature]

4 Loans

The Company has categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 except "Leasing" which is measured in accordance with Ind AS 116.

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(A)	Loans to Borrowers		
(i)	- Rupee Term Loans (RTLs)	3,55,656.14	3,31,444.41
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,241.06	2,031.28
(iv)	- Working Capital Loans	6,202.17	10,520.04
(v)	- Leasing	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	466.43	444.09
(vii)	- Interest accrued but not due on Loans	5,399.24	4,945.14
(viii)	- Interest accrued & due on Loans	1,623.35	147.66
(ix)	- Unamortised Fee on Loans	(106.12)	(101.22)
	Gross Loans to Borrowers	3,71,947.03	3,49,896.16
	Less: Impairment loss allowance	(16,039.55)	(15,783.56)
	Net Loans to Borrowers	3,55,907.48	3,34,112.60
(B)	Security-wise classification		
(i)	Secured by Tangible Assets	2,13,593.70	2,17,212.02
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,02,446.61	73,667.83
(iv)	Unsecured	55,906.72	59,016.31
	Gross Security-wise classification	3,71,947.03	3,49,896.16
	Less: Impairment loss allowance	(16,039.55)	(15,783.56)
	Net Security-wise classification	3,55,907.48	3,34,112.60
(C) I	Loans in India		
(i)	Public Sector	3,12,619.08	2,92,140.85
(ii)	Private Sector	59,327.95	57,755.31
	Gross Loans in India	3,71,947.03	3,49,896.16
	Less: Impairment loss allowance	(16,039.55)	(15,783.56)
	Net Loans in India	3,55,907.48	3,34,112.60
(C) II	Loans Outside India		
	Less: Impairment loss allowance	-	-
	Net Loans Outside India	-	-
	Net Loans in India and Outside India	3,55,907.48	3,34,112.60



(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020					
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	Total (1)+(4)+(5)
(A)	Investments						
(i)	Debt securities						
	- 10.95% perpetual bonds of Union Bank of India* [8,000 bonds of ₹ 10,00,000 each]			876.05	876.05		876.05
(ii)	Equity Instruments						
	Subsidiaries						
	- REC Ltd. [103,94,95,247 equity shares of ₹ 10 each]					14,500.50	14,500.50
	- PFC Consulting Ltd. [52,246 equity shares of ₹ 10 each]					0.15	0.15
	- Power Equity Capital Advisors Private Ltd.^ [50,000 equity shares of ₹ 10 each]					-	-
	Joint Venture						
	- Energy Efficiency Services Limited [24,55,00,000 equity shares of ₹ 10 each]					245.50	245.50
	Associates						
	- Companies for development of Ultra Mega Power Projects [50,000 equity shares of ₹ 10 each of each of 15 companies]					0.75	0.75
	Others						
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		70.44		70.44		70.44
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		189.01		189.01		189.01
	- NHPC Limited [23,44,73,240 equity shares of ₹ 10 each]		531.08		531.08		531.08
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-		-
	- RattanIndia Power Limited [23,51,27,715 equity shares of ₹ 10 each]			55.26	55.26		55.26
	- Suzlon Energy Limited [8,46,15,798 equity shares of ₹ 2 each]		54.15		54.15		54.15
	- RKM PowerGen Pvt. Ltd. [40,39,15,920 equity shares of ₹ 1 each]			0.00	0.00		0.00
(iii)	Preference Shares						
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]	10.08					10.08
	- RattanIndia Power Limited [7,29,49,786 Redeemable Preference Shares of ₹ 10 each]	64.67					64.67
	- RattanIndia Power Limited [10,99,93,397 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			86.71	86.71		86.71
	- Suzlon Global Services Limited [38,161 Compulsorily Convertible Preference Shares of ₹ 100,000 each]			0.00	0.00		0.00
(iv)	Debentures						
	- Essar Power Transmission Company Limited [9,00,92,774 Series 1 - Optionally Convertible Debentures of ₹ 10 each]			41.71	41.71		41.71
	- Essar Power Transmission Company Limited [3,62,88,085 Series 2 - Optionally Convertible Debentures of ₹ 10 each]			16.66	16.66		16.66
	- Essar Power Transmission Company Limited [68,79,504 Series 3 - Optionally Convertible Debentures of ₹ 10 each]			0.00	0.00		0.00
	- Suzlon Energy Limited [34,791 Optionally Convertible Debentures of ₹ 100,000 each]			92.33	92.33		92.33
	- RKM Powergen Pvt. Ltd. [41,93,96,250 Series A - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
	- RKM Powergen Pvt. Ltd. [1,34,71,484 Series B - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
	- RKM Powergen Pvt. Ltd. [2,32,72,410 Series AI - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
(v)	Others						
	- Units of "Small is Beautiful" Fund [61,52,200 units of ₹ 10 each]		6.12		6.12		6.12
	Total Investments	74.75	850.80	1,168.72	2,019.52	14,746.90	16,841.17
(B)	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	74.75	850.80	1,168.72	2,019.52	14,746.90	16,841.17
	Gross Geography wise investment	74.75	850.80	1,168.72	2,019.52	14,746.90	16,841.17
	Less: Impairment loss allowance	-	-	-	-	(0.20)	(0.20)
	Net Geography wise investment	74.75	850.80	1,168.72	2,019.52	14,746.70	16,840.97

*Andhra Bank merged with Union Bank of India w.e.f 01.04.2020.

^Struck off by RoC vide order dated 30.06.2020



Sr. No.	Particulars	As at 31.03.2020					
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	Total (1)+(4)+(5)
(A)	Investments						
(i)	Debt securities						
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]			810.05	810.05		810.05
(ii)	Equity Instruments						
	Subsidiaries						
	- REC Ltd [103,94,95,247 equity shares of ₹ 10 each]					14,500.50	14,500.50
	- PFC Consulting Ltd [52,246 equity shares of ₹ 10 each]					0.15	0.15
	- Power Equity Capital Advisors Private Ltd [50,000 equity shares of ₹ 10 each]					0.05	0.05
	Joint Venture						
	- Energy Efficiency Services Limited [24,55,00,000 equity shares of ₹ 10 each]					245.50	245.50
	Associates						
	- Companies for development of Ultra Mega Power Projects [50,000 equity shares of ₹ 10 each of each of 15 companies]					0.75	0.75
	Others						
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		46.50		46.50		46.50
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		195.57		195.57		195.57
	- NHPC Limited [23,44,73,240 equity shares of ₹ 10 each]		467.78		467.78		467.78
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-		-
	- RattanIndia Power Limited [23,51,27,715 equity shares of ₹ 10 each]			31.74	31.74		31.74
(iii)	Preference Shares						
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]	9.29					9.29
	- Ratnagiri Gas and Power Private Limited [15,24,88,000 Cumulative Redeemable Preference Shares of ₹ 10 each]	0.00					0.00
	- RattanIndia Power Limited [7,29,49,786 Redeemable Preference Shares of ₹ 10 each]	58.99					58.99
	- RattanIndia Power Limited [10,99,93,397 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			100.58	100.58		100.58
(iii)	Others						
	- Units of "Small is Beautiful" Fund [61,52,200 units of ₹ 10 each]		6.12	-	6.12		6.12
	Total	68.28	715.97	942.37	1,658.34	14,746.95	16,473.57
(B)	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	68.28	715.97	942.37	1,658.34	14,746.95	16,473.57
	Gross Geography wise investment	68.28	715.97	942.37	1,658.34	14,746.95	16,473.57
	Less: Impairment loss allowance	-	-	-	-	(0.25)	(0.25)
	Net Geography wise investment	68.28	715.97	942.37	1,658.34	14,746.70	16,473.32

APB



6 Other Financial Assets

The Company has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Recoverable on account of Government of India Serviced Bonds	5,133.70	5,038.72
(ii)	Advances to Subsidiaries and Associates*	164.55	155.05
(iii)	Advances to Employees	0.52	0.60
(iv)	Loans to Employees	95.75	93.11
(v)	Others	49.28	72.05
	Less: Impairment loss allowance on Others	(25.57)	(20.41)
	Total Other Financial Assets	5,418.23	5,339.12

*Recoverable in cash.

7 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Advance income tax and TDS	172.06	461.93
(ii)	Tax deposited on income tax demands under contest	206.26	189.38
	Current Tax Assets (Net)	378.32	651.31
(i)	Provision for income tax net of Advance Tax	43.24	-
(ii)	Provision for income tax for demand under contest	0.11	0.11
	Current Tax Liabilities (Net)	43.35	0.11



Property, Plant and Equipment (PPE) and Intangible Assets

Particulars	Property, Plant and Equipment						Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software
Gross Carrying Amount								
Opening Balance as at 01.04.2019	3.38	24.92	16.35	17.60	11.15	0.09	73.49	9.47
Additions / Adjustments	-	-	3.30	5.13	3.85	0.03	12.31	0.81
Deductions / Adjustments	-	-	1.78	1.63	0.46	-	3.87	-
Closing Balance as at 31.03.2020	3.38	24.92	17.87	21.10	14.54	0.12	81.93	10.28
Additions / Adjustments	-	-	5.95	4.49	2.03	-	12.47	0.10
Deductions / Adjustments	-	-	1.14	1.67	0.44	-	3.25	-
Closing Balance as at 31.12.2020	3.38	24.92	22.68	23.92	16.13	0.12	91.15	10.38
Accumulated Depreciation / Amortisation								
Opening Balance as at 01.04.2019	-	11.79	12.99	13.07	7.83	0.08	45.76	8.88
For the period	-	0.64	2.18	3.45	1.38	0.01	7.66	0.99
On Assets Sold/Written off from books	-	-	1.51	1.21	0.12	-	2.84	-
Closing Balance as at 31.03.2020	-	12.43	13.66	15.31	9.09	0.09	50.58	9.87
For the period	-	0.46	2.22	3.02	1.23	0.01	6.94	0.22
On Assets Sold/Written off from books	-	-	0.93	1.26	0.14	-	2.33	-
Closing Balance as at 31.12.2020	-	12.89	14.95	17.07	10.18	0.10	55.19	10.09
Net Carrying Amount								
As at 31.03.2020	3.38	12.49	4.21	5.79	5.45	0.03	31.35	0.41
As at 31.12.2020	3.38	12.03	7.73	6.85	5.95	0.02	35.96	0.29

Particulars	Property, Plant and Equipment						Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software
Gross Carrying Amount								
Opening Balance as at 01.04.2019	3.38	24.92	16.35	17.60	11.15	0.10	73.50	9.47
Additions / Adjustments	-	-	2.25	3.26	2.85	0.03	8.39	-
Deductions / Adjustments	-	-	1.57	1.06	0.33	-	2.96	-
Closing Balance as at 31.12.2019	3.38	24.92	17.03	19.80	13.67	0.13	78.93	9.47
Accumulated Depreciation / Amortisation								
Opening Balance as at 01.04.2019	-	11.79	12.99	13.07	7.83	0.08	45.76	8.88
For the period	-	0.48	2.00	2.25	0.94	0.01	5.68	0.18
On Assets Sold/Written off from books	-	-	1.34	0.79	0.07	-	2.20	-
Closing Balance as at 31.12.2019	-	12.27	13.65	14.53	8.70	0.09	49.24	9.06
Net Carrying Amount								
As on 31.12.2019	3.38	12.65	3.38	5.27	4.97	0.04	29.69	0.41



9 Right-of-use Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Opening Balance of Leasehold Land	35.75	-
(ii)	Additions	-	36.20
(iii)	Less: Depreciation*	0.34	0.45
	Closing Balance of Leasehold Land	35.41	35.75

Sr. No.	Particulars	As at 31.12.2019
(i)	Opening Balance of Leasehold Land	-
(ii)	Additions	36.20
(iii)	Less: Depreciation*	0.33
	Closing Balance of Leasehold Land	35.87

*As required by Ind AS 116, Depreciation expense on Right-of-Use assets is included under Depreciation and Amortization expenses in the Standalone Statement of Profit and Loss.

10 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Prepaid Expenses	7.84	3.18
(ii)	Deferred Employee Costs	47.28	48.21
(iii)	Others	163.84	77.48
	Total Other Non-Financial Assets	218.96	128.87

11 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 31.12.2020	As at 31.03.2020
(i)	Bonds / Debenture		
	- Infrastructure Bonds	278.63	278.63
	- Tax Free Bonds	12,275.11	12,275.11
	- 54EC Capital Gain Tax Exemption Bonds	2,298.88	1,918.54
	- Taxable Bonds	1,83,778.30	1,72,930.24
	- Foreign Currency Notes	27,029.83	27,892.78
(ii)	Commercial Paper	3,050.41	-
(iii)	Interest accrued but not due on above	8,064.57	6,814.43
(iv)	Unamortised Transaction Cost on above	(170.37)	(262.06)
	Total Debt Securities	2,36,605.36	2,21,847.67
	Geography wise Debt Securities		
(i)	Debt Securities in India	2,09,511.65	1,93,872.39
(ii)	Debt Securities outside India	27,093.71	27,975.28
	Total Geography wise Debt Securities	2,36,605.36	2,21,847.67



12 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 31.12.2020	As at 31.03.2020
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans	153.83	172.38
	- Syndicated Foreign Currency Loans	20,042.25	19,635.63
	- Rupee Term Loans	58,569.98	49,598.98
(ii)	From other Parties		
	- Rupee Term Loans - GoI	7,500.00	7,500.00
(B)	Other Loans from Banks		
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	-	2,038.36
(C)	Interest accrued but not due on above	219.27	375.43
(D)	Unamortised Transaction Cost on above	(210.36)	(204.72)
	Total Borrowings (other than Debt Securities)	86,274.97	79,116.06
	Geography wise Borrowings		
(i)	Borrowings in India	66,250.31	59,448.04
(ii)	Borrowings outside India	20,024.66	19,668.02
	Total Geography wise Borrowings	86,274.97	79,116.06

13 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 31.12.2020	As at 31.03.2020
	Subordinated Liabilities		
(i)	Subordinated Bonds	9,211.50	9,211.50
(ii)	Interest accrued but not due on above	677.50	103.04
(iii)	Unamortised Transaction Cost on above	(3.18)	(3.59)
	Total Subordinated Liabilities	9,885.82	9,310.95
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	9,885.82	9,310.95
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	9,885.82	9,310.95

14 Other Financial Liabilities

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109 except "Lease Liability" which is measured in accordance with Ind AS 116..

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Payable on account of Government of India Serviced Bonds	5,133.70	5,038.72
(ii)	Advance received from Subsidiaries and Associates*	176.59	168.42
(iii)	Unclaimed Dividends	3.99	3.48
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	0.43	0.53
	- Unclaimed Interest on Bonds	16.91	15.16
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.81	0.83
	- Interest Subsidy Fund	18.37	17.31
	- Payable under APDRP/IPDS scheme	3.15	-
	- Lease Liability	8.82	8.81
	- Other liabilities	110.72	121.90
	Total Other Financial Liabilities	5,473.49	5,375.16

*Payable in cash



15 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	For Employee Benefits :		
	- Gratuity	2.08	2.76
	- Leave Encashment	41.44	35.11
	- Economic Rehabilitation of Employees	3.74	2.89
	- Provision for Bonus / Incentive	26.35	28.18
	- Provision for Staff Welfare Expenses	15.60	14.88
(ii)	Impairment Loss Allowance - Letter of Comfort	48.55	180.47
	Total Provisions	137.76	264.29

16 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Unamortised Fee - Undisbursed Loan Assets	146.68	105.76
(ii)	Statutory dues payable	42.82	3.31
(iii)	Sundry Liabilities Account (Interest Capitalisation)	32.55	-
	Total Other Non-Financial Liabilities	222.05	109.07



17 Equity Share Capital

Sr. No.	Particulars	As at 31.12.2020		As at 31.03.2020	
		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
	Preference Share Capital (Par Value per share ₹ 10)	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
(C)	Reconciliation of Equity Share Capital				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period	-	-	-	-
	Closing Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08



18 Other Equity*

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Securities Premium	2,776.54	2,776.54
(ii)	Foreign Currency Monetary Item Translation Difference Account	(751.51)	(1,441.18)
(iii)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	3,768.44	2,544.96
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act, 1961	459.02	2,514.17
(v)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85
(vi)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	21,113.57	18,848.40
(vii)	Interest Differential Reserve - KFW Loan	62.69	61.40
(viii)	General Reserve	13,500.38	10,983.81
(ix)	Retained Earnings	8,205.42	6,042.40
(x)	Reserve for Equity Instruments through Other Comprehensive Income	(218.15)	(313.64)
(xi)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through Other Comprehensive Income	(113.80)	(92.66)
(xii)	Cost of Hedging Reserve	(27.23)	-
	Total	49,375.22	42,524.05

*For movements during the period refer Standalone Statement of Changes in Equity.



19 Interest Income

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
A	On Financial Assets measured at Amortised Cost		
(i)	Interest on Loans	27,264.28	23,772.85
	Less : Rebate for Timely Payment to Borrowers	(221.72)	(297.20)
(ii)	Interest on Deposits with Banks	124.63	99.67
(iii)	Other Interest Income	25.18	23.51
B	On Financial Assets Classified at Fair Value Through Profit or Loss		
(i)	Interest on Investment	75.35	65.82
(ii)	Other Income	2.38	0.51
	Total Interest Income (A+B)	27,270.10	23,665.16



20 Fees and Commission Income

On the basis of nature of services, the Company's revenue from contracts with customers are:

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Prepayment Premium on Loans	105.04	79.59
(ii)	Fee based Income on Loans	42.13	39.12
(iii)	Fee for implementation of GoI Schemes	4.64	-
	Total Fees and Commission Income	151.81	118.71

21 Net Gain (-) / Loss (+) on Fair Value Changes

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	On financial instruments at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	505.08	(261.30)
	- Change in Fair Value of Investments	(9.65)	(1.25)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	495.43	(262.55)
	Fair value changes:		
(i)	- Realised	170.21	83.68
(ii)	- Unrealised	325.22	(346.23)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	495.43	(262.55)

22 Other Income

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Excess Liabilities written back	-	-
(ii)	Miscellaneous Income	19.57	7.96
	Total Other Income	19.57	7.96



23 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
	On Financial Liabilities Measured At Amortised Cost		
(i)	Interest on Borrowings		
	- Term Loans and Others	3,523.76	3,317.30
	- Interest on Lease Liability	0.59	0.58
(ii)	Interest on Debt Securities		
	- Bonds / Debentures	12,823.45	11,815.09
	- Commercial Papers	99.47	394.08
(iii)	Interest on Subordinated Liabilities	640.39	639.87
(iv)	Other Interest Expense		
	- Interest on Interest Subsidy Fund	1.06	1.02
	- Interest on advances received from Subsidiaries	2.21	4.27
(v)	- Swap Premium (Net)	299.78	130.66
	Total Finance Costs	17,390.71	16,302.87



24 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Agency Fees	0.89	0.97
(ii)	Guarantee, Listing and Trusteeship fees	1.70	0.96
(iii)	Credit Rating Fees	5.56	4.05
(iv)	Other Finance Charges	0.29	0.68
	Total Fees and Commission Expense	8.44	6.66

25 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
A	On Financial Assets measured at Amortised Cost		
(i)	Loans*	2,830.19	557.91
(ii)	Other Financial Assets	5.16	7.40
(iii)	Letter of Comfort	(131.93)	(6.79)
	Total Impairment on Financial Instruments	2,703.42	558.52

* includes write off of ₹ 2,574.21 Crore (previous period 1,463.55 crore) and corresponding reversal of impairment loss allowance of ₹ 2,878.74 Crore (previous period 1,610.28 crore)

26 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Salaries and Wages	108.32	106.79
(ii)	Contribution to Provident and other Funds	12.91	10.86
(iii)	Staff Welfare Expenses	25.16	34.40
(iv)	Rent for Residential Accommodation of Employees	4.42	3.80
	Total Employee Benefit Expenses	150.81	155.85

27 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Rent, Taxes and Energy Cost	4.88	11.58
(ii)	Repairs and Maintenance	3.26	3.58
(iii)	Communication Costs	0.53	0.53
(iv)	Printing and Stationery	0.46	1.27
(v)	Advertisement and Publicity	7.81	7.90
(vi)	Directors Fees, Allowance and Expenses	0.16	0.12
(vii)	Auditor's fees and expenses	0.41	0.49
(viii)	Legal & Professional charges	5.51	4.50
(ix)	Insurance	0.13	0.10
(x)	Travelling and Conveyance	6.37	11.53
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	0.83	0.69
(xii)	Other Expenditure	15.76	17.92
	Total Other Expenses	46.11	60.21



1. Significant Accounting Policies

The significant accounting policies applied in preparation of the Standalone Financial Statements are as given below:

1.1 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.

1.2 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.

1.3 Derivative financial instruments

- (i) The Company enters into a variety of derivative financial instruments such as Principal only swaps, Interest rate swaps, Options and forward contracts to manage its exposure to interest rate and foreign exchange rate risks.
- (ii) The Company designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

Cash flow hedge

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

Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in Statement of Profit and Loss in the line item relating to the hedged item.

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



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

1.4 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), its transaction costs are recognised in Statement of Profit and Loss.

1.4.1 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, 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.

Business Model

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective of generating cash flows. The Company's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Company to collect the contractual cash flows.

(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 loans 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 along with all the substantial 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.

1.4.2 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.

1.5 Investment in Subsidiaries, Joint Ventures and Associates

Investment in equity shares of subsidiaries, joint ventures and associates are accounted at cost, less impairment if any.

1.6 Property, Plant and Equipment (PPE) and Depreciation



- (i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- (ii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved, subject to necessary adjustment in the year of final settlement.
- (iii) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.
- (iv) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.
- (v) Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years. Residual value is estimated as 5% of the original cost of PPE.
- (vi) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
- (vii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- (viii) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

1.7 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.

1.8 Provisions, Contingent Liabilities and Contingent Assets



- (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.
- (v) Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

1.9 Recognition of Income and Expenditure

- (i) Interest income, on financial assets subsequently measured at amortised 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 dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is presented against the corresponding interest income.
- (iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.
- (v) Dividend income from investments is recognized in Statement of Profit and Loss when the Company's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- (vi) Interest expense on borrowings subsequently measured at amortised 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.

1.10 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

1.11 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.

1.12 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.

1.13 Leasing

For recognition, measurement and presentation of lease contracts, the Company applies the principles of Ind AS 116 'Leases'.

The Company as a lessee

The Company at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (a) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Company has the right to direct the use of the identified asset.

The Company at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Statement of Profit & Loss. Lease payments are classified as Cash flow used in financing activities.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



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.

1.14 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 amortised over the balance period of such long term monetary item.

1.15 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

1.16 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.

1.17 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.

1.18 Earnings per share

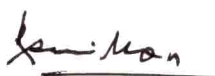


Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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.

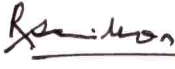


Summarised Notes to Unaudited Standalone Interim Financial Statements:

1	These Unaudited Standalone Interim Financial Statement (Statements) have been reviewed & recommended by the Audit Committee and subsequently considered and approved by the Board of Directors of the Company in their respective meetings held on 11.02.2021. The same have been limited reviewed by Joint Statutory Auditors, Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India.																			
2	These Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.																			
3	Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company as per Ind AS 109 is as under. <div style="text-align: right;">(₹ in crore)</div> <table><tr><th>S. No.</th><th>Particulars</th><th>As on 31.12.2020</th><th>As on 31.03.2020</th></tr><tr><td>a)</td><td>Credit Impaired loans</td><td>21,345.87</td><td>27,871.70</td></tr><tr><td>b)</td><td>Impairment Loss Allowance Maintained</td><td>12,959.44</td><td>14,748.46</td></tr><tr><td>c)</td><td>Impairment Loss Allowance Coverage (%) (b/a)</td><td>60.71%</td><td>52.92%</td></tr></table>				S. No.	Particulars	As on 31.12.2020	As on 31.03.2020	a)	Credit Impaired loans	21,345.87	27,871.70	b)	Impairment Loss Allowance Maintained	12,959.44	14,748.46	c)	Impairment Loss Allowance Coverage (%) (b/a)	60.71%	52.92%
S. No.	Particulars	As on 31.12.2020	As on 31.03.2020																	
a)	Credit Impaired loans	21,345.87	27,871.70																	
b)	Impairment Loss Allowance Maintained	12,959.44	14,748.46																	
c)	Impairment Loss Allowance Coverage (%) (b/a)	60.71%	52.92%																	
4	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.																			
5	The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Company to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Company is given at Annexure - 'A' .																			
6	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 is no reportable segment as per Ind AS 108.																			
7	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.																			
8	Capital Risk Adjusted Ratio (CRAR) of the Company as at 31.12.2020 is 20.21 % comprising of Tier I Capital of 16.60 % and Tier II Capital of 3.61 %.																			
<div style="text-align: right;"> R.S. Dhillon Chairman & Managing Director DIN – 00278074</div> <div>PLACE: NEW DELHI DATE: 11.02.2021</div>																				



In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Company will, inter alia, continue to be dependent on future developments relating to duration & severity of Covid-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector and on the NBFCs. The Company shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its business.

Power Finance Corporation Limited				
Consolidated Balance Sheet as at December 31, 2020				
(₹ in crore)				
Sr. No.	Particulars	Note No.	As at 31.12.2020	As at 31.03.2020
	ASSETS			
1	Financial Assets			
(a)	Cash and Cash Equivalents	1	9,651.91	1,905.21
(b)	Bank Balance other than included in Cash and Cash Equivalents	2	735.53	2,282.96
(c)	Derivative Financial Instruments	3	3,724.94	5,182.27
(d)	Trade Receivables	4	157.28	137.31
(e)	Loans	5	7,01,532.20	6,46,196.11
(f)	Investments (Other than accounted for using equity method)	6A	5,179.10	3,853.72
(g)	Other Financial Assets	7	27,597.14	27,462.12
	Total Financial Assets (1)		7,48,578.10	6,87,019.70
2	Non- Financial Assets			
(a)	Current Tax Assets (Net)	8	618.99	1,138.33
(b)	Deferred Tax Assets (Net)		5,928.57	5,005.31
(c)	Investment Property	9	0.01	0.01
(d)	Property, Plant and Equipment	10	190.82	186.79
(e)	Capital Work-in-Progress	10	405.01	287.62
(f)	Intangible Assets under development	10	0.77	0.77
(g)	Other Intangible Assets	10	7.12	9.23
(h)	Right of Use Assets	11	38.09	41.07
(i)	Other Non-Financial Assets	12	316.77	263.94
(j)	Investments accounted for using equity method	6B	539.04	549.90
	Total Non- Financial Assets (2)		8,045.19	7,483.97
3	Assets Classified as held for sale	13	31.38	16.98
	Total Assets (1+2+3)		7,56,654.67	6,94,520.65
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Derivative Financial Instruments	3	1,772.96	1,925.55
(b)	Trade Payables	14		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.00	0.15
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		32.70	53.67
(c)	Debt Securities	15	4,62,876.20	4,41,765.90
(d)	Borrowings (other than Debt Securities)	16	1,65,529.80	1,40,666.72
(e)	Subordinated Liabilities	17	16,888.51	14,130.60
(f)	Other Financial Liabilities	18	28,076.70	29,177.04
	Total Financial Liabilities (1)		6,76,167.98	6,27,719.03
2	Non- Financial Liabilities			
(a)	Current Tax Liabilities (Net)	8	206.50	61.40
(b)	Provisions	19	240.56	374.32
(c)	Other Non-Financial Liabilities	20	334.02	197.85
	Total Non- Financial Liabilities (2)		781.08	635.57
3	Liabilities directly associated with assets classified as held for sale	13	0.10	0.68
	Total Liabilities (1+2+3)		6,76,949.16	6,28,355.28
4	Equity			
(a)	Equity Share Capital	21	2,640.08	2,640.08
(b)	Other Equity	22	57,134.98	46,759.72
	Equity attributable to owners of the Company (a+b)		59,775.06	49,399.80
(c)	Non-Controlling interest	23	19,930.45	16,765.57
	Total Equity (4)		79,705.51	66,165.37
	Total Liabilities and Equity (1+2+3+4)		7,56,654.67	6,94,520.65
Significant Accounting Policies and Notes annexed hereto form an integral part of Interim Financial Statements				
			 (R. S. Dhillon) Chairman and Managing Director DIN - 00278074	
Place : New Delhi				
Date : 11.02.2021				

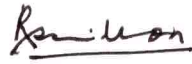


Power Finance Corporation Limited
Consolidated Statement of Profit and Loss for the Nine Months ended December 31, 2020

(₹ in crore)

Sr. No.	Particulars	Note No.	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
	Revenue from Operations			
(i)	Interest Income	24	53,117.37	45,584.14
(ii)	Dividend Income		32.66	37.44
(iii)	Fees and Commission Income	25	214.73	147.67
(iv)	Other Operating Income	27	142.46	227.46
I.	Total Revenue from Operations		53,507.22	45,996.71
II.	Other Income	28	38.15	24.00
III.	Total Income (I+II)		53,545.37	46,020.71
	Expenses			
(i)	Finance Costs	29	33,439.36	30,354.03
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		(223.98)	1,906.54
(iii)	Fees and Commission Expense	30	17.36	21.61
(iv)	Net Loss / (Gain) on Fair Value changes	26	167.51	(354.67)
(v)	Impairment on Financial Instruments	31	4,431.61	921.45
(vi)	Cost of Services Rendered		69.16	53.79
(vii)	Employee Benefit Expenses	32	283.93	312.13
(viii)	Depreciation, Amortisation and Impairment	10/11	18.04	16.83
(ix)	Corporate Social Responsibility Expenses		327.58	127.47
(x)	Other Expenses	33	126.35	162.72
IV.	Total Expenses		38,656.92	33,521.90
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		14,888.45	12,498.81
VI.	Exceptional Items		-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates		(3.22)	17.98
VIII.	Profit/(Loss) Before Tax (V-VI+VII)		14,885.23	12,516.79
	Tax Expense:			
	(1) Current Tax			
	- Current Year		3,917.51	2,435.23
	- Earlier Years		177.24	64.17
	(2) Deferred Tax		(1,019.67)	1,233.84
IX.	Total Tax Expense		3,075.08	3,733.24
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)		11,810.15	8,783.55
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	Profit/(Loss) for the period (for continuing and discontinued operations) (X+XI)		11,810.15	8,783.55
XIII.	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(6.72)	5.24
	- Net Gain / (Loss) on Fair Value of Equity Instruments		232.00	(114.96)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method		0.02	(0.33)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.52	(2.06)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(4.47)	12.79
	Sub-Total (A)		222.35	(99.32)
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(40.05)	20.20
	- Cost of Hedging Reserve		408.44	-
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		1.29	(5.14)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		10.08	(12.62)
	- Cost of Hedging Reserve		(102.80)	-
	Sub-Total (B)		276.96	4.44
	Other Comprehensive Income (A+B)		499.31	(94.88)



XIV.	Total Comprehensive Income for the period (XII+XIII)		12,309.46	8,688.67
	Profit for the period attributable to:			
	- Owners of the Company		8,825.96	6,652.93
	- Non-Controlling Interest		2,984.19	2,130.62
			11,810.15	8,783.55
	Other Comprehensive Income for the period			
	- Owners of the Company		283.70	(83.13)
	- Non-Controlling Interest		215.61	(11.75)
			499.31	(94.88)
	Total Other Comprehensive Income for the period			
	- Owners of the Company		9,109.66	6,569.80
	- Non-Controlling Interest		3,199.80	2,118.87
			12,309.46	8,688.67
XV.	Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):			
	(1) For continuing operations (in ₹)		33.43	25.20
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		33.43	25.20
EPS for the Nine Months is not annualised				
<div style="text-align: right;">  (R. S. Dhillon) Chairman and Managing Director DIN - 00278074 </div> <div> Place : New Delhi Date : 11.02.2021 </div>				



Power Finance Corporation Limited
Consolidated Statement of Changes in Equity for the Nine Months ended December 31, 2020

A. Equity Share Capital

Particulars	Opening Balance	Changes during the period	Closing Balance
01.01.2019	2,640.08	-	2,640.08
31.12.2020	2,640.08	-	2,640.08

B. Other Equity

Particulars	Reserves and surplus										Other Comprehensive Income					Attributable to owners of the parent	Non-Controlling interest	Total		
	Capital Reserve - Common Control	Capital Reserve - Change in shareholding in Joint Venture	Special Reserve - created under 45-(1)(1) of Bank of India Act, 1934	Special Reserve - doubtful debts under 36(1)(b)(ii) of Income Tax Act, 1961	Special Reserve - created under 36(1)(iii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve - created and maintained under 36(1)(iii) of Income Tax Act, 1961	Debit Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Impairment Reserve	Retained Earnings	Equity Instruments through Other comprehensive income	Effective portion of Gain / (Loss) on Holding Instruments in Cash Flow Hedges				Costs of Holding Reserve	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method
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	60,844.19
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	6,652.93	-	-	-	-	6,652.93	2,130.62	8,783.55
Re-measurement of Defined Benefit Plans (Other Comprehensive Income / (Expense))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.36	2.82	3.18
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(0.28)	(89.14)	7.38	-	(1.65)	(83.49)	(14.57)	(98.06)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	6,650.05	(89.14)	7.38	-	(1.65)	(22.96)	(22.96)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	6,630.05	(89.14)	7.38	-	(1.65)	6,546.84	2,118.87	8,665.71
Dividends Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from Retained Earnings	-	-	1,313.01	408.75	-	1,840.41	25.87	-	-	-	2,733.04	-	(3,588.04)	-	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	(2,733.94)	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written-off	-	-	-	(1,742.41)	-	-	-	-	-	-	1,742.41	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	-	-	(325.25)	1.88	-	-	(1.88)	-	-	-	-	(325.25)	(112.74)	(427.99)
Gain or increase in share in FIESE	-	1.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.97	1.78	3.75
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	(299.49)	299.49	-	-	-	-	-	-
Balance as at 31.12.2019	(13,461.00)	1.97	3,333.83	4,003.87	599.85	27,305.90	0.00	3,953.74	(1,497.54)	61.88	14,668.11	-	11,770.20	5.90	(42.56)	-	0.57	50,704.73	18,380.93	69,085.66
Balance as at 31.03.2020	(13,461.00)	2.47	3,666.61	4,089.44	599.85	27,616.89	0.00	3,953.74	(2,346.18)	61.40	14,655.76	417.55	8,080.18	(257.72)	(211.65)	(107.77)	0.15	46,759.72	16,765.57	63,525.29
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	8,825.96	-	-	-	-	8,825.96	2,982.19	11,808.15
Re-measurement of Defined Benefit Plans (Other Comprehensive Income / (Expense))	-	-	-	-	-	-	-	-	-	-	-	-	(4.17)	-	-	-	-	(4.17)	(1.03)	(5.20)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(0.00)	(64.99)	(25.79)	(17.08)	(0.68)	287.86	216.64	504.50
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	8,812.84	(64.99)	(25.79)	(17.08)	0.68	9,100.63	3,199.80	12,300.49
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	(561.25)	(561.25)	-
Dividends Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from Retained Earnings	-	-	1,896.15	605.78	-	2,945.60	-	-	-	-	516.40	-	(5,973.93)	-	-	-	-	(0.00)	-	(0.00)
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written-off	-	-	-	(3,123.22)	-	-	-	-	-	-	3,123.22	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	7.90	-	342.38	-	-	1,274.55	1.29	-	-	(340.96)	-	-	-	-	1,274.56	526.33	1,800.89
Gain or increase in share in FIESE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	96.15	(96.15)	-	-	-	-	-	-
Balance as at 31.12.2020	(13,461.00)	2.47	5,552.76	1,579.30	599.85	30,914.87	0.00	3,953.74	(1,071.63)	62.69	18,295.38	417.55	10,674.28	(188.88)	(237.44)	40.21	0.83	57,134.98	19,280.45	77,065.43

Place : New Delhi
Date : 11.02.2021



R. S. Dhillon
(R. S. Dhillon)
Chairman and Managing Director
DIN - 00278074

Power Finance Corporation Limited
Consolidated Statement of Cash Flows for the Nine Months ended December 31, 2020

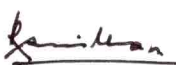
(₹ in crore)

Sr. No.	Description	Nine Months Ended 31.12.2020		Nine Months Ended 31.12.2019	
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	14,885.23		12,516.79	
	Adjustments for:				
	Loss on derecognition of Property, Plant and Equipment (net)	4.16		1.55	
	Depreciation and Amortisation	18.04		16.83	
	Interest expense on Zero Coupon Bonds and Commercial Papers	81.66		777.62	
	Unrealised Foreign Exchange Translation Loss / (Gain)	539.44		1,550.78	
	Net Change in Fair Value	188.52		(340.99)	
	Impact of Effective Interest Rate on Loans	27.26		35.15	
	Impairment on Financial Instruments	4,431.61		921.45	
	Interest income on Investments and Others	(362.08)		(305.77)	
	Interest on Interest Subsidy Fund	1.06		1.02	
	Excess Liabilities written back	(0.14)		(0.50)	
	Provision for Retirement Benefits etc.	41.80		41.30	
	Dividend Income	(32.06)		(37.44)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	230.38		(91.08)	
	Interest on Income Tax Refund	(9.67)		(0.57)	
	Interest expenses on Lease Liability	0.59		0.58	
	Interest expense on Other Liabilities	0.18		0.05	
	Share of Profit/Loss of Joint Venture accounted for using equity method	3.22		(17.98)	
	Operating profit before Working Capital Changes:	20,048.60		15,068.79	
	Increase / Decrease :				
	Loans (Net)	(60,961.42)		(47,942.46)	
	Other Financial and Non-Financial Assets	1,888.65		13,356.95	
	Derivative	715.06		(386.77)	
	Other Financial & Non-Financial Liabilities and Provisions	525.47		2,355.83	
	Cash Flow before Exceptional Items	(37,783.64)		(17,555.89)	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	(37,783.64)		(17,547.66)	
	Income Tax paid	(3,741.57)		(2,571.26)	
	Income Tax Refund	305.85		73.51	
	Net Cash flow from Operating Activities		(41,219.36)		(20,045.41)
II.	Cash Flow From Investing Activities :				
	Proceeds from disposal of Property, Plant and Equipment	0.39		1.05	
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(100.18)		(71.69)	
	Interest income on investment	139.84		166.66	
	Dividend on investment	(16.14)		37.44	
	Increase / Decrease in Other Investments	216.47		(253.26)	
	Change in HQLA Investment	(527.96)		-	
	Net Cash Used in Investing Activities		(287.58)		(119.80)
III.	Cash Flow From Financing Activities :				
	Raising of Bonds (including premium) (Net of Redemptions)	20,394.89		16,170.95	
	Raising of Long Term Loans (Net of Repayments)	28,332.91		7,822.10	
	Raising of Foreign Currency Loans (Net of Repayments)	929.89		22,678.68	
	Raising of Subordinated Liabilities (Net of Redemptions)	1,999.50		0.00	
	Raising of Commercial paper (Net of Repayments)	195.00		(11,665.95)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(2,038.36)		(13,257.18)	
	Unclaimed Bonds (Net)	1.65		(0.62)	
	Unclaimed Dividend (Net)	0.51		(0.09)	
	Payment of Lease Liability	(1.10)		1.79	
	Payment of Interim Dividend	(561.25)		4.47	
	Net Cash in-flow from Financing Activities		49,253.64		21,754.15
	Net Increase / Decrease in Cash and Cash Equivalents		7,746.70		1,588.94
	Add: Cash and Cash Equivalents at beginning of the financial year		1,965.21		726.64
	Cash and Cash Equivalents at the end of the period		9,651.91		2,315.58
	Details of Cash and Cash Equivalents at the end of the period:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	779.84		566.58	
	In Term Deposit Accounts	8,621.96	9,401.80	1,808.94	2,145.52
	ii) Cheques, Drafts on hand including postage and Imprest		0.08		0.06
	iii) Investment in Debt Mutual Fund		250.03		
	Total Cash and Cash Equivalents at the end of the period		9,651.91		2,315.58

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

Place : New Delhi
Date : 11.02.2021




(R. S. Dhillon)
Chairman and Managing Director
DIN - 00278074

1 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	779.84	1,380.56
	- In Term Deposit Accounts	8,621.96	524.59
(ii)	Cash, Cheques, Drafts on hand including postage & Imprest	0.08	0.06
(iii)	Investment in Debt Mutual Funds	250.03	-
	Total Cash and Cash Equivalents	9,651.91	1,905.21

2 Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Earmarked Balances and Term Deposits with Banks for:		
	- Unpaid Dividend	9.24	8.23
	- Unpaid - Bonds / Interest on Bonds etc.	13.70	12.99
	- Amount received under IPDS / R-APDRP scheme	3.15	0.00
	- Fixed Deposits with Banks - for Redemption of Debentures	23.86	-
	- Govt. funds for further Disbursement	307.87	1,850.70
(ii)	Deposit in compliance of Court	0.56	0.53
(iii)	Balance with Bank not available for use pending allotment of securities	329.12	400.19
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	11.68	9.04
(v)	Other Term Deposits	36.35	1.28
	Total Bank Balance other than included in Cash and Cash Equivalents	735.53	2,282.96



3 Derivative Financial Instruments

The Company and its Subsidiary REC Ltd., enters into derivatives for hedging 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, currency cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Part - I

Sr. No.	Particulars	As at 31.12.2020				As at 31.03.2020			
		Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Liabilities
(i)	Currency Derivatives:								
	- Spot and Forwards	4,112.91	11.88	91.37	5,937.27	210.49	20.23		
	- Currency Swaps	14,540.92	908.01	81.39	15,156.06	1,833.15	-		
	- Options	33,288.04	2,152.18	91.28	28,389.78	2,716.58	-		
	Total Currency Derivatives:	51,941.87	3,072.07	264.04	49,483.11	4,760.22	20.23		
(ii)	Interest Rate Derivatives								
	- Forward Rate Agreements and Interest Rate Swaps	44,216.05	652.87	1,075.81	46,573.66	422.05	1,165.65		
	Total Interest Rate Derivatives	44,216.05	652.87	1,075.81	46,573.66	422.05	1,165.65		
(iii)	Other Derivatives								
	- Reverse cross currency swaps	4,347.00	-	433.11	4,347.00	-	739.67		
	Total Other Derivatives	4,347.00	-	433.11	4,347.00	-	739.67		
	Total Derivative Financial Instruments [(i) + (ii) + (iii)]	1,00,504.92	3,724.94	1,772.96	1,00,403.77	5,182.27	1,925.55		

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	36,502.40	2,082.29	172.67	27,902.90	2,189.79	303.14		
	- Interest Rate Derivatives	21,050.71	0.81	654.23	13,267.92	5.24	368.02		
	Total Cash Flow Hedging (Designated)	57,553.11	2,083.10	826.90	41,170.82	2,195.03	671.16		
(ii)	Undesignated Derivatives								
	- Undesignated Derivatives	42,951.81	1,641.84	946.06	59,232.95	2,987.24	1,254.39		
	Total Undesignated Derivatives	42,951.81	1,641.84	946.06	59,232.95	2,987.24	1,254.39		
	Total Derivative Financial Instruments [(i) + (ii)]	1,00,504.92	3,724.94	1,772.96	1,00,403.77	5,182.27	1,925.55		



4 Trade Receivables

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Trade Receivables		
	- considered good - Secured (Gross)	28.54	26.59
	- considered good - Unsecured (Gross)	103.35	87.92
	less: Impairment loss allowance	(7.08)	(13.66)
	- which have Significant Increase in Credit Risk (Gross)	49.47	52.01
	less: Impairment loss allowance	(17.00)	(15.55)
	- credit Impaired (Gross)	43.61	40.04
	less: Impairment loss allowance on Credit Impaired	(43.61)	(40.04)
	Total Trade Receivables	157.28	137.31



5 Loans

The Company and its Subsidiary REC Ltd., have categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 except "Leasing" which is measured in accordance with Ind AS 116.

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(A)	Loans to Borrowers		
(i)	- Rupee Term Loans (RTLs)	7,12,442.61	6,52,971.18
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,241.06	2,031.28
(iv)	- Working Capital Loans	6,482.77	11,417.96
(v)	- Leasing	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	466.43	444.09
(vii)	- Interest accrued but not due on Loans	5,953.07	5,327.77
(viii)	- Interest accrued & due on Loans	2,273.26	1,499.41
(ix)	- Unamortised Fee on Loans	(193.91)	(180.74)
	Gross Loans to Borrowers	7,30,130.05	6,73,975.71
	Less: Impairment loss allowance	(28,597.85)	(27,779.60)
	Net Loans to Borrowers	7,01,532.20	6,46,196.11
(B)	Security-wise classification		
(i)	Secured by Tangible Assets	4,66,735.74	4,62,325.24
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,87,876.35	1,32,352.12
(iv)	Unsecured	75,517.96	79,298.35
	Gross Security-wise classification	7,30,130.05	6,73,975.71
	Less: Impairment loss allowance	(28,597.85)	(27,779.60)
	Net Security-wise classification	7,01,532.20	6,46,196.11
(C) I	Loans in India		
(i)	Public Sector	6,32,835.11	5,78,351.25
(ii)	Private Sector	97,294.94	95,624.46
	Gross Loans in India	7,30,130.05	6,73,975.71
	Less: Impairment loss allowance	(28,597.85)	(27,779.60)
	Net Loans in India	7,01,532.20	6,46,196.11
(C) II	Loans Outside India		
	Less: Impairment loss allowance	-	-
	Net Loans Outside India	-	-
	Net Loans in India and Outside India	7,01,532.20	6,46,196.11



6A. Investments (Other than accounted for using equity method)

(₹ in crore)

SrNo.	Particulars	As at 31.12.2020					
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	Total (1)+(4)
(A)	Investments						
(i)	Debt securities						
	- 10.95% perpetual bonds of Union Bank of India* [8,000 bonds of ₹ 10,00,000 each]			876.05	876.05		876.05
	- 11.15 % perpetual bonds of Indian Bank [5,000 bonds of ₹ 10,00,000 each]			542.31	542.31		542.31
	- 11.25 % perpetual bonds of Bank of Baroda [5,000 bonds of ₹ 10,00,000 each]			542.38	542.38		542.38
	- 11.25 % perpetual bonds of Syndicate Bank [5,000 bonds of ₹ 10,00,000 each]			542.69	542.69		542.69
	- 5.78% Chennai Petroleum Corporation Ltd. 2025 [1,50 bonds of ₹ 10,00,000 each]			15.74	15.74		15.74
	- 6.11% BPCL 2025 [100 bonds of ₹ 10,00,000 each]			10.65	10.65		10.65
	- 7.30 % NMDC 2025 [200 bonds of ₹ 10,00,000 each]			22.13	22.13		22.13
	- 7.30% PGC Ltd. 2027 [200 bonds of ₹ 10,00,000 each]			22.30	22.30		22.30
	- 8.69% Damodar Valley Corporation 2028 [200 bonds of ₹ 10,00,000 each]			23.52	23.52		23.52
	- 7.05% MTNL 2030 [450 bonds of ₹ 10,00,000 each]			47.36	47.36		47.36
	- 6.65% Food Corporation of India 2030 [200 bonds of ₹ 10,00,000 each]			20.42	20.42		20.42
	- 7.19% THDC India Ltd. 2030 [250 bonds of ₹ 10,00,000 each]			25.73	25.73		25.73
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO) [86,798 bonds of ₹ 1,000 each]	9.01		-	-		9.01
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [42,855 bonds of ₹ 1,000 each]	4.52		-	-		4.52
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [35,463 bonds of ₹ 1,000 each]	3.61		-	-		3.61
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA) [61,308 bonds of ₹ 1,000 each]	6.56		-	-		6.56
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC) [22,338 bonds of ₹ 1,000 each]	2.27		-	-		2.27
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD) [14,028 bonds of ₹ 1,000 each]	1.48		-	-		1.48
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation (HUDCO) [50,000 Bonds of ₹ 1,000 each]	5.42		-	-		5.42
(ii)	Equity instruments :						
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		70.44		70.44		70.44
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		189.01		189.01		189.01
	- NHPC Limited [40,97,75,446 equity shares of ₹ 10 each]		928.14		928.14		928.14
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-		-
	- GMR Chhattisgarh Energy Limited		-		-		-
	- Shree Maheshwar Hydro Power Projects Limited		-		-		-
	- RattanIndia Power Limited [32,76,95,820 equity shares of ₹ 10 each]			77.01	77.01		77.01
	- Housing and Urban Development Corporation Ltd. [3,47,429 equity shares of ₹ 10 each]		1.38		1.38		1.38
	- Indian Energy Exchange Ltd. [27,45,807 equity shares of ₹ 1 each]		51.76		51.76		51.76
	- Universal Commodity Exchange Ltd. [1,60,00,000 equity shares of ₹ 10 each]				-		-
	- Suzlon Energy Limited [8,46,15,798 equity shares of ₹ 2 each]		54.15		54.15		54.15
	- RKM PowerGen Pvt. Ltd. [58,57,06,587 equity shares of ₹ 1 each]						



(iii)	Preference Shares						
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]	10.08					10.08
	- RattanIndia Power Limited [10,16,70,764 Redeemable Preference Shares of ₹ 10 each]	89.94					89.94
	- RattanIndia Power Limited [15,32,97,013 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			129.75	129.75		129.75
	- Suzlon Global Services Limited [38,161 Compulsorily Convertible Preference Shares of ₹ 100,000 each]			0.00	0.00		0.00
(iv)	Debentures						
	- Essar Power Transmission Company Limited [31,86,17,853 Series 1 - Optionally Convertible Debentures of ₹ 10 each]			142.22	142.22		142.22
	- Essar Power Transmission Company Limited [13,69,00,996 Series 2 - Optionally Convertible Debentures of ₹ 10 each]			60.91	60.91		60.91
	- Essar Power Transmission Company Limited [2,55,14,666 Series 3 - Optionally Convertible Debentures of ₹ 10 each]			0.00	0.00		0.00
	- Suzlon Energy Limited [34,791 Optionally Convertible Debentures of ₹ 100,000 each]			92.33	92.33		92.33
	- Ferro Alloys Corporation Limited [2,52,91,783 Non Convertible Debentures of ₹ 100,000 each]	199.72		-	-		199.72
	- RKM Powergen Pvt. Ltd. [63,31,99,420 Series A - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
	- RKM Powergen Pvt. Ltd. [1,97,74,516 Series B - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
	- RKM Powergen Pvt. Ltd. [3,37,46,560 Series A1 - Optionally Convertible Debentures of ₹ 100 each]			0.00	0.00		0.00
(v)	Govt. Securities						
	- 5.22% GSEC 2025 [50,00,000 Bonds of ₹ 100 each]			50.46	50.46		50.46
	- 7.27% GSEC 2026 [50,00,000 Bonds of ₹ 100 each]			55.45	55.45		55.45
	- 7.17% GSEC 2028 [50,00,000 Bonds of ₹ 100 each]			55.84	55.84		55.84
	- 5.77% GSEC 2030 [50,00,000 Bonds of ₹ 100 each]			50.72	50.72		50.72
	- 6.20% Rajasthan SDL July 2027 [20,00,000 Bonds of ₹ 100 each]			20.70	20.70		20.70
	- 7.20% SDL MH 2027 [20,00,000 Bonds of ₹ 100 each]			21.76	21.76		21.76
	- 6.60% Himachal Pradesh SDL 2030 [50,00,000 Bonds of ₹ 100 each]			50.53	50.53		50.53
	- 6.48% KA SDL 2031 [40,00,000 Bonds of ₹ 100 each]			40.41	40.41		40.41
(iv)	Others						
	- Units of "Small is Beautiful" Fund [1,23,04,400 units of ₹ 10 each]		12.24		12.24		12.24
	Total Investments (Other than accounted for using equity method)	332.61	1,307.12	3,539.37	4,846.49	-	5,179.10
(B)	Geography wise investment						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	332.61	1,307.12	3,539.37	4,846.49	-	5,179.10
	Gross Geography wise investment	332.61	1,307.12	3,539.37	4,846.49	-	5,179.10
	Less: Impairment loss allowance	-	-	-	-	-	-
	Net Geography wise investment	332.61	1,307.12	3,539.37	4,846.49	-	5,179.10



(₹ in crore)

Sr.No.	Particulars	As at 31.03.2020				
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	Total (1)+(4)
(A)	Investments					
(i)	Debt securities					
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]			810.05	810.05	810.05
	- 11.15% perpetual bonds of Indian Bank [5,000 bonds of ₹ 10,00,000 each]			500.31	500.31	500.31
	- 11.25% perpetual bonds of Bank of Baroda [5,000 bonds of ₹ 10,00,000 each]			500.00	500.00	500.00
	- 11.25% perpetual bonds of Syndicate Bank [5,000 bonds of ₹ 10,00,000 each]			500.31	500.31	500.31
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO) [86,798 bonds of ₹ 1,000 each]	8.81				8.81
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [42,855 bonds of ₹ 1,000 each]	4.60				4.60
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [35,463 bonds of ₹ 1,000 each]	3.67				3.67
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA) [61,308 bonds of ₹ 1,000 each]	6.22				6.22
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC) [22,338 bonds of ₹ 1,000 each]	2.31				2.31
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD) [14,028 bonds of ₹ 1,000 each]	1.40				1.40
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation (HUDCO) [50,000 bonds of ₹ 1,000 each]	5.09				5.09
(ii)	Equity instruments :					
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		46.50		46.50	46.50
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		195.57		195.57	195.57
	- NHPC Limited [40,97,75,446 equity shares of ₹ 10 each]		817.50		817.50	817.50
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-	-
	- GMR Chhattisgarh Energy Limited		-		-	-
	- Shree Maheshwar Hydro Power Projects Limited		-		-	-
	- RattanIndia Power Limited [32,76,95,820 equity shares of ₹ 10 each]			44.24	44.24	44.24
	- Housing and Urban Development Corporation Ltd [3,47,429 equity shares of ₹ 10 each]		0.69		0.69	0.69
	- Indian Energy Exchange Ltd [1,22,71,211 equity shares of ₹ 1 each]		157.01		157.01	157.01
	- Universal Commodity Exchange Ltd [1,60,00,000 equity shares of ₹ 10 each]					-
(iii)	Preference Shares					
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]	9.29				9.29
	- Ratnagiri Gas and Power Private Limited [15,24,88,000 Cumulative Redeemable Preference Shares of ₹ 10 each]	-				-
	- RattanIndia Power Limited [10,16,70,764 Redeemable Preference Shares of ₹ 10 each]	81.92				81.92
	- RattanIndia Power Limited [15,32,97,013 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			145.99	145.99	145.99
(iv)	Others					
	- Units of "Small is Beautiful" Fund [1,23,04,400 units of ₹ 10 each]		12.24		12.24	12.24
	Total Investments (Other than accounted for using equity method)	123.31	1,229.51	2,500.90	3,730.41	3,853.72
(B)	Geography wise investment					
(i)	Investments Outside India					
(ii)	Investments in India	123.31	1,229.51	2,500.90	3,730.41	3,853.72
	Gross Geography wise investment	123.31	1,229.51	2,500.90	3,730.41	3,853.72
	Less: Impairment loss allowance	-	-	-	-	-
	Net Geography wise investment	123.31	1,229.51	2,500.90	3,730.41	3,853.72



6B. Investments accounted for using equity method

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Joint Venture		
	- Energy Efficiency Services Limited [46,36,00,000 equity shares of ₹ 10 each; previous year 46,36,00,000 equity shares of ₹ 10 each]	538.54	549.40
(ii)	Associates		
	- Ultramega Power Projects / Independent Transmission Projects [7,60,000 equity shares of ₹ 10 each; previous year 7,60,000 equity shares of ₹ 10 each]	0.50	0.50
	Sub Total	539.04	549.90
	Less: Impairment loss allowance	-	-
	Total Investments accounted for using equity method	539.04	549.90



7 Other Financial Assets

The Group has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

SNo.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Recoverable on account of Government of India Serviced Bonds	27,126.67	26,970.02
(ii)	Advances to Associates*	162.69	154.27
(iii)	Advances to Employees	0.69	0.90
(iv)	Loans to Employees	136.33	129.58
(v)	Others	241.09	258.99
	Less: Impairment loss allowance on Others	(70.33)	(51.64)
	Total Other Financial Assets	27,597.14	27,462.12

*Recoverable in cash.

8 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Advance income tax and TDS	374.03	747.84
(ii)	Tax Deposited on income tax demands under contest	244.96	390.49
	Total Current Tax Assets (Net)	618.99	1,138.33
(i)	Provision for income tax net of Advance Tax	206.39	-
(i)	Provision for income tax for demand under contest	0.11	67.40
	Total Current Tax Liabilities (Net)	206.50	67.40



9 Investment Property*

Particulars	Opening balance	Additions during the period	Sales/ adjustment during the period	Closing balance
9M 2019-20	0.01	-	-	0.01
9M 2020-21	0.01	-	-	0.01

*pertains to PFC's subsidiary REC Ltd.

10 Property, Plant and Equipment, Capital Work-in-Progress (CWIP), Intangible assets under development and Other Intangible assets

Particulars	Property, Plant and Equipment										Capital Work-in-Progress	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total				
Gross Carrying Amount													
Opening Balance as at 01.04.2019	113.77	1.59	56.66	40.19	38.26	23.29	0.49	4.14	278.39		196.94	1.59	27.17
Additions / Adjustments	-	-	-	6.25	8.92	6.45	0.02	-	21.64		74.89	-	4.38
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-		7.62	-	-
Deductions / Adjustments	-	1.59	-	4.32	4.11	2.02	(0.01)	-	12.03		(8.17)	0.82	7.22
Closing Balance as at 31.03.2020	113.77	-	56.66	42.12	43.07	27.72	0.52	4.14	288.00		287.62	0.77	24.33
Additions / Adjustments	-	-	-	9.57	8.25	3.84	-	-	21.66		99.62	-	0.16
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-		17.77	-	-
Deductions / Adjustments	-	-	-	4.21	9.43	1.00	-	-	14.64		-	-	0.01
Closing Balance as at 31.12.2020	113.77	-	56.66	47.48	41.89	30.56	0.52	4.14	295.02		405.01	0.77	24.48
Accumulated Depreciation / Amortization													
Opening Balance as at 01.04.2019	-	0.31	20.38	29.42	24.86	14.88	0.38	1.71	91.94		-	-	17.99
For the period	-	-	1.12	5.63	6.48	2.28	0.03	0.80	16.34		-	-	4.32
Reversal on Assets Sold/Written off from books	-	0.31	-	3.71	2.51	0.54	-	-	7.07		-	-	7.21
Closing Balance as at 31.03.2020	-	-	21.50	31.34	28.83	16.62	0.41	2.51	101.21		-	-	15.10
For the period	-	-	0.83	4.47	5.14	1.98	0.03	0.59	13.04		-	-	2.27
Reversal on Assets Sold/Written off from books	-	-	0.02	3.45	6.25	0.33	-	-	10.05		-	-	0.01
Closing Balance as at 31.12.2020	-	-	22.31	32.36	27.72	18.27	0.44	3.10	104.20		-	-	17.36
Net Carrying Amount													
As at 31.03.2020	113.77	-	35.16	10.78	14.24	11.10	0.11	1.63	186.79		287.62	0.77	9.23
As at 31.12.2020	113.77	-	34.35	15.12	14.17	12.29	0.08	1.04	190.82		405.01	0.77	7.12



Particulars	Property, Plant and Equipment										Non-Financial Liabilities	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property	Computer Software	Computer Software	
Gross Carrying Amount													
Opening Balance as at 01.04.2019	113.77	1.59	56.66	40.19	38.26	23.29	0.49	4.14	278.39	196.94	1.59	27.17	
Additions / Adjustments	-	-	-	4.40	6.10	4.88	0.03	-	15.41	51.40	0.38	3.33	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	12.07	-	-	
Deductions / Adjustments	-	1.59	-	3.84	2.70	1.65	-	-	9.78	-	0.46	0.01	
Closing Balance as at 31.12.2019	113.77	-	56.66	40.75	41.66	26.52	0.52	4.14	284.02	260.41	1.51	30.49	
Accumulated Depreciation / Amortization													
Opening Balance as at 01.04.2019	-	0.31	20.38	29.42	24.86	14.88	0.38	1.71	91.94	-	-	17.99	
For the period	-	-	0.85	4.27	4.45	1.59	0.02	0.60	11.78	-	-	2.41	
Reversal on Assets Sold/Written off from books	-	0.31	-	3.34	1.78	0.46	-	0.01	5.90	-	-	0.02	
Closing Balance as at 31.12.2019	-	-	21.23	30.35	27.53	16.01	0.40	2.30	97.82	-	-	20.38	
Net Carrying Amount													
As at 31.12.2019	113.77	-	35.43	10.40	14.13	10.51	0.12	1.84	186.20	260.41	1.51	10.11	



11 Right-of-use Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Opening Balance of Leasehold Land	42.07	-
(ii)	Additions	0.25	45.84
	Less: Disposal / Adjustment	(1.50)	-
(iii)	Less: Depreciation*	(2.73)	(3.77)
	Closing Balance of Leasehold Land	38.09	42.07

Sr. No.	Particulars	As at 31.12.2019
(i)	Opening Balance of Leasehold Land	-
(ii)	Additions	45.88
(iii)	Less: Depreciation*	(2.64)
	Closing Balance of Leasehold Land	43.24

*As required by Ind AS 116, Depreciation expense on Right-of-Use assets is included under Depreciation and Amortization expenses in the Consolidated Statement of Profit and Loss.

12 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Prepaid Expenses	7.86	3.40
(ii)	Deferred Employee Costs	61.82	62.13
(iii)	Capital Advances	109.77	93.75
(iv)	Other assets	137.32	104.66
	Total Other Non-Financial Assets	316.77	263.94



13 Assets Classified as held for sale*

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(A)	Assets classified as held for sale		
(i)	Investment in associates	0.72	0.23
(ii)	Loan to associates	30.66	16.75
	Total (A)	31.38	16.98
(B)	Liabilities directly associated with assets classified as held for sale		
(i)	Payable to associates	0.10	0.68
	Total (B)	0.10	0.68
	Disposal Group - Net assets (A-B)	31.28	16.30

*Pertains to PFC's Subsidiaries - REC Ltd. and PFC Consulting Ltd.

14 Trade Payables

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
	Trade Payables		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.04	0.15
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	32.70	53.07
	Total Trade Payables	32.74	53.22



15 Debt Securities

The Company and its Subsidiary REC Ltd., have categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Bonds / Debenture		
	- Infrastructure Bonds	295.09	295.09
	- Tax Free Bonds	24,878.08	24,878.08
	- 54 EC Capital Gain Tax Exemption Bonds	21,944.13	23,894.68
	- Taxable Bonds	3,48,947.72	3,26,415.29
	- Foreign Currency Notes	49,676.44	50,508.56
(ii)	Commercial Paper	3,050.41	2,925.00
(iii)	Interest accrued but not due on above	14,760.82	13,687.09
(iv)	Unamortised Transaction Cost on above	(1,005.61)	(1,238.08)
(v)	Bond Application Money	329.12	400.19
	Total Debt Securities	4,62,876.20	4,41,765.90
	Geography wise Debt Securities		
(i)	Debt Securities in India	4,13,603.70	3,91,726.07
(ii)	Debt Securities outside India	49,272.50	50,039.83
	Total Geography wise Debt Securities	4,62,876.20	4,41,765.90



16 Borrowings (other than Debt Securities)

The Company and its Subsidiary REC Ltd., have categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109 except "Finance Lease Obligation" which is measured in accordance with Ind AS 116.

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans	7,349.60	8,924.03
	- Syndicated Foreign Currency Loans	40,909.15	39,619.89
	- Rupee Term Loans	90,011.52	69,498.76
(ii)	From other Parties		
	- Rupee Term Loans - Govt	17,500.00	17,500.00
(B)	Other Loans		
(i)	Loan against Term Deposits	-	-
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	10,575.00	4,793.22
(iii)	Finance Lease Obligation	0.22	2.12
(C)	Interest accrued but not due on above	549.04	767.95
(D)	Unamortised Transaction Cost on above	(373.73)	(439.25)
	Total Borrowings (other than Debt Securities)	1,66,520.80	1,40,666.72
(II)	Geography wise Borrowings		
(i)	Borrowings in India	1,25,747.72	99,419.41
(ii)	Borrowings outside India	40,773.08	41,247.31
	Total Geography wise Borrowings	1,66,520.80	1,40,666.72



17 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 31.12.2020	As at 31.03.2020
	Subordinated Liabilities		
(i)	Subordinated Bonds	15,862.20	13,862.70
(ii)	Interest accrued but not due on above	1,032.89	273.61
(iii)	Unamortised Transaction Cost on above	(6.57)	(5.71)
	Total Subordinated Liabilities	16,888.52	14,130.60
	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	16,888.52	14,130.60
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	16,888.52	14,130.60



18 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 31.12.2020	As at 31.03.2020
(i)	Payable on account of Government of India Serviced Bonds	27,216.59	26,831.04
(ii)	Advance received from Associates*	176.59	168.42
(iii)	Unclaimed Dividends	9.24	8.23
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	52.77	39.66
	- Unclaimed Interest on Bonds	36.37	33.13
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.81	0.83
	- Interest Subsidy Fund and other GOI Funds for disbursement as subsidy / Grants	295.30	1,796.94
	- Payable under APDRP/IPDS scheme	3.15	-
	- Payable towards funded staff benefits	0.68	0.38
	- Lease Liability	9.98	11.85
	- Other liabilities	275.28	286.56
	Total Other Financial Liabilities	28,076.76	29,177.04

*Payable in cash



19 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	For Employee Benefits		
	- Gratuity	2.08	2.76
	- Leave Encashment	80.57	73.20
	- Economic Rehabilitation of Employees	8.00	7.14
	- Provision for Bonus / Incentive	72.15	84.00
	- Provision for Staff Welfare Expenses	19.58	18.37
(ii)	Impairment Loss Allowance - Letter of Comfort	58.18	188.85
	Total Provisions	240.56	374.32



20 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Unamortised Fee - Undisbursed Loans Assets	209.10	151.91
(ii)	Sundry Liabilities (Interest Capitalisation)	37.95	6.57
(iii)	Statutory dues payable	64.18	31.23
(iv)	Advance received from Govt. towards Govt. Schemes	22.79	4.14
	Total Other Non-Financial Liabilities	334.02	193.85

21 Equity Share Capital

Sr. No.	Particulars	As at 31.12.2020		As at 31.03.2020	
		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
	Preference Share Capital (Par Value per share ₹ 10)	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
(C)	Reconciliation of Equity Share Capital				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period	-	-	-	-
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08



22 Other Equity*

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
(i)	Capital Reserve - Common Control	(13,461.00)	(13,461.00)
(ii)	Capital Reserve - Change in shareholding in JV	2.47	2.47
(iii)	Securities Premium	3,953.74	3,953.74
(iv)	Foreign Currency Monetary Item Translation Difference Account	(1,071.63)	(2,346.18)
(v)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	5,552.76	3,666.61
(vi)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	1,579.30	4,089.44
(vii)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	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	30,914.87	27,616.89
(ix)	Interest Differential Reserve - KFW Loan	62.69	61.40
(x)	General Reserve	18,295.38	14,655.76
(xi)	Impairment Reserve	417.55	417.55
(xii)	Retained Earnings	10,674.28	8,080.18
(xiii)	Reserve for Equity Instruments through Other Comprehensive Income	(188.88)	(257.72)
(xiv)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through other Comprehensive Income	(237.44)	(211.65)
(xv)	Costs of Hedging Reserve	40.21	(107.77)
(xvi)	Share of Other Comprehensive Income in Joint Venture and Associates	0.83	0.15
	Total Other Equity	57,134.98	46,759.72

*For movements during the period refer Consolidated Statement of Changes in Equity.

23 Non-Controlling Interest

(₹ in crore)

Sr. No.	Particulars	As at 31.12.2020	As at 31.03.2020
	Balance at the beginning of the period	16,765.57	16,363.02
(i)	Share of Net Profit for the period	2,984.19	2,355.12
(ii)	Re-measurement of Defined Benefit Plans	(1.03)	(1.02)
(iii)	Share of Other Comprehensive Income / (Expense)	216.64	(261.31)
	Share of Total Comprehensive Income	3,199.80	2,092.79
(i)	Dividend paid to Non-Controlling Interest	(561.25)	(1,028.97)
(ii)	Dividend Distribution tax paid for Non-Controlling Interest	-	(211.28)
(iii)	Others	526.33	(450.00)
	Balance at the end of the period	19,930.45	16,765.57



24 Interest Income

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
A	On Financial Assets measured at Amortised Cost		
(i)	Interest on Loans	52,820.88	45,504.08
	Less : Rebate for Timely Payment to Borrowers	(221.77)	(297.26)
(ii)	Interest on Deposits with Banks	256.01	149.56
(iii)	Other Interest Income	34.51	34.67
B	On Financial Assets classified at Fair Value Through Profit or Loss		
(i)	Interest on Investment	225.36	192.59
(ii)	Other Income	2.38	0.50
	Total Interest Income (A+B)	53,117.37	45,584.14



25 Fees and Commission Income

On the basis of nature of services, the Group's revenue from contracts with customers are:

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Prepayment Premium on Loans	125.81	89.58
(ii)	Fee based Income on Loans	58.98	40.92
(iii)	Fee for implementation of GoI Schemes	29.94	17.17
	Total Fees and Commission Income	214.73	147.67

26 Net Gain (-) / Loss (+) on Fair Value Changes

(₹ in crores)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	On financial instruments at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	203.85	(339.73)
	- Change in Fair Value of Investments	(11.90)	(1.26)
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual Funds	(21.02)	(13.68)
	- Net Change in Fair Value of HQLA Investment	(3.42)	-
	Total Net Gain (-) / Loss (+) on Fair Value Changes	167.51	(354.67)
	Fair value changes:		
(i)	- Realised	130.28	68.15
(ii)	- Unrealised	37.23	(422.82)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	167.51	(354.67)

27 Other Operating Income

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Sale of Services	142.46	227.30
(ii)	Other	-	0.16
	Total Other Operating Income	142.46	227.46

28 Other Income

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Excess Liabilities written back	0.14	0.50
(ii)	Miscellaneous Income	38.01	23.50
	Total Other Income	38.15	24.00



29 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
	On Financial Liabilities Measured At Amortised Cost		
(i)	Interest on Borrowings		
	- Term Loans and others	6,164.21	5,854.95
	- Interest on Lease Liability	1.01	0.66
(ii)	Interest on Debt Securities		
	- Bonds / Debentures	25,274.16	22,621.72
	- Commercial Paper	134.79	815.25
(iii)	Interest on Subordinated Liabilities	936.67	937.08
(iv)	Other Interest Expense		
	- Interest on Interest Subsidy Fund	1.06	1.02
	- Interest on advances received from Subsidiaries	2.21	4.27
	- Interest under Income Tax Act, 1961	-	0.18
	- Other	1.99	0.31
	Less: Finance Cost Capitalised	(17.77)	(12.07)
(v)	- Swap Premium (Net)	941.03	130.66
	Total Finance Costs	33,439.36	30,354.03



30 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Agency Fees	1.69	1.85
(ii)	Guarantee, Listing and Trusteeship fees	2.48	8.01
(iii)	Credit Rating Fees	8.75	6.89
(iv)	Other Finance Charges	4.44	4.86
	Total Fees and Commission Expense	17.36	21.61

31 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
A	On Financial Assets measured at Amortised Cost		
(i)	Loans	4,545.00	906.84
(ii)	Other Financial Assets	17.30	21.40
(iii)	Letter of Comfort	(130.69)	(6.79)
	Total Impairment on Financial Instruments	4,431.61	921.45

32 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Salaries and Wages	205.14	226.21
(ii)	Contribution to Provident and other Funds	28.22	25.24
(iii)	Staff Welfare Expenses	44.60	55.78
(iv)	Rent for Residential Accommodation of Employees	5.97	4.90
	Total Employee Benefit Expenses	283.93	312.13

33 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Nine Months Ended 31.12.2020	Nine Months Ended 31.12.2019
(i)	Rent, Taxes and Energy Cost	16.38	24.10
(ii)	Repairs and Maintenance	11.89	13.06
(iii)	Communication Costs	2.25	2.26
(iv)	Printing and Stationery	1.21	4.27
(v)	Advertisement and Publicity	12.71	13.13
(vi)	Directors Fees, Allowance & Expenses	0.17	0.29
(vii)	Auditor's fees and expenses	1.03	1.30
(viii)	Legal & Professional charges	13.40	14.25
(ix)	Insurance	0.21	0.21
(x)	Travelling and Conveyance	12.79	23.93
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	4.16	1.56
(xii)	Other Expenditure	50.15	64.36
	Total Other Expenses	126.35	162.72



Group's Significant Accounting Policies

The group's significant accounting policies applied in preparation of the Consolidated Financial Statements are as given below:

1.1 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.

1.2 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 entity 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 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.

1.3 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.

1.4 Derivative financial instruments

1.4.1 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.

1.4.2 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 Consolidated Statement of Profit and Loss. Amounts recognised in Other Comprehensive Income (being effective portion) are reclassified to Consolidated 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 Consolidated 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 Consolidated 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.

- 1.4.3** 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 Consolidated Statement of Profit and Loss.

1.5 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), its transaction costs are recognised in Consolidated Statement of Profit and Loss.

1.5.1 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, 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 Consolidated 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 Consolidated 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 Consolidated Statement of Profit and Loss.

Business Model

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective of generating cash flows. The Group's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group is primarily in the business of lending loans across power sector value chain and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

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 Consolidated Other Comprehensive Income (OCI) and accumulated in Consolidated Reserve. There is no recycling of



the amounts from Consolidated OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group transfers the same within Consolidated equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

iii) Impairment of financial assets

- a) Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Group presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Consolidated 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 Consolidated Statement of Profit and Loss.
- d) Financial assets are written off by RECL either partially or in their entirety only when it 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 along with all the substantial 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 Consolidated Other Comprehensive Income and accumulated in Consolidated Equity, is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

1.5.2 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 Consolidated 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 Consolidated Statement of Profit and Loss.

1.5.3 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.

1.6 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 Consolidated 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 Consolidated Statement of Profit and Loss in the period in which the property is derecognized.



1.7 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 Consolidated 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 PFCCCL)

[#] Residual value is estimated as 5% of the original cost of PPE.

* Depreciation is provided using Straight line method by RECL

⁽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 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 Consolidated 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.'



1.8 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 Consolidated 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.

1.9 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, financial 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 an entity, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- 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.
- v. Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.



1.11 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. Unless otherwise specified, the recoveries from the borrowers of RECL are appropriated in the order of (i) costs and expenses of RECL (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recovery under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings is appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.
- iii. 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 and is disclosed separately under Interest Income.
- iv. Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is presented against the corresponding interest income.
- v. The Group uses the principles laid down by Ind AS 115 to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:
 - a. Identify the contract(s) with customer;
 - b. Identify separate performance obligations in the contract;
 - c. Determine the transaction price;
 - d. Allocate the transaction price to the performance obligations; and
 - e. Recognise revenue when a performance obligation is satisfied.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

In Fixed Price Contracts – Revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

- vi. 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 manpower charges at agreed charge out rates decided by the management.

- vii. 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.
- viii. 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.
- ix. Dividend income from investments is recognized in Consolidated 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.
- x. Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.
- xi. Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- xii. Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- xiii. A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

1.12 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

1.13 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 Consolidated Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

1.14 Employee benefits

i. Defined Contribution Plan

Group's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Consolidated 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 Consolidated 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 recognized in the Consolidated Statement of Profit and Loss.

iv. Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Consolidated 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.

1.15 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.



1.16 Leasing

For recognition, measurement and presentation of lease contracts, the Group applies the principles of Ind AS 116 'Leases'.

The Group as a lessee

The Group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (a) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Group has the right to direct the use of the identified asset.

The Group at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Consolidated Statement of Profit & Loss. Lease payments are classified as Cash flow used in financing activities.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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.



1.17 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 Consolidated Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the consolidated 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.

1.18 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.

1.19 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.

1.20 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 respective company in the Group.

1.21 Earnings per share

Basic earnings per equity share are 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.



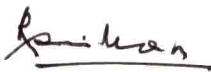
To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Summarised Notes to Unaudited Consolidated Interim Financial Statements:

1	These Unaudited Consolidated Interim Financial Statement (Statements) have been reviewed & recommended by the Audit Committee and subsequently approved by the Board of Directors of the Company in their respective meetings held on 11.02.2021.																			
2	These Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.																			
3	Consolidated Interim Financial Statement (Statements) for the quarter and nine months ended 31.12.2020 includes management approved financial statements of two subsidiaries; one joint venture entity and fifteen associates. Financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements', Ind AS 111 – 'Joint Arrangements' and Ind AS 28- 'Investments in Associates and Joint Ventures'.																			
4	Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company and its subsidiary REC Ltd., as per Ind AS 109 is as under. <div style="text-align: right;">(₹ in crore)</div> <table><tr><th>S. No.</th><th>Particulars</th><th>As on 31.12.2020</th><th>As on 31.03.2020</th></tr><tr><td>a)</td><td>Credit Impaired loans</td><td>39,566.49</td><td>49,127.25</td></tr><tr><td>b)</td><td>Impairment Loss Allowance Maintained</td><td>24,233.44</td><td>25,300.59</td></tr><tr><td>c)</td><td>Impairment Loss Allowance Coverage (%) (b/a)</td><td>61.25%</td><td>51.50%</td></tr></table>				S. No.	Particulars	As on 31.12.2020	As on 31.03.2020	a)	Credit Impaired loans	39,566.49	49,127.25	b)	Impairment Loss Allowance Maintained	24,233.44	25,300.59	c)	Impairment Loss Allowance Coverage (%) (b/a)	61.25%	51.50%
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5	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.																			
6	The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Group to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Group is given at Annexure-'A' .																			
7	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.																			
8	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.																			

PLACE: NEW DELHI
DATE: 11.02.2021


R.S. Dhillon
Chairman & Managing Director
DIN – 00278074



Impact of COVID 19 on the Group

Post the lockdown period, the economic activities are gradually resuming. The rising power demand shows pickup in economic activities leading to higher commercial and industrial demand which was affected due to the coronavirus pandemic.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company and its subsidiary REC Ltd, up to 31.01.2021, has sanctioned an amount of about ₹ 1,24,999 crore under this scheme of liquidity package to eligible Discoms.

The Group has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Group continues to be well geared to meet its funding needs. It holds sufficient liquidity as well as adequate undrawn lines of credits from various banks. Considering high credit worthiness and well-established relationship of the Group with lenders, it can continue to mobilise sufficient funds from domestic & international markets.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Group will, inter alia, continue to be dependent on future developments relating to duration & severity of Covid-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector and on the NBFCs. The Group shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its business.

