

M.K. Aggarwal & Co.
Chartered Accountants,
30, Nishant Kunj, Pitampura,
New Delhi – 110034
Ph: 011 - 47517171
E-mail: mka@mkac.in

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110052
Ph: 011 - 27303078, 42273690
E-mail: gandhica@yahoo.com

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended

**Review Report to,
The Board of Directors,
Power Finance Corporation Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of Power Finance Corporation Limited (the "Company") for the quarter ended 30th June, 2019 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019.

This statement is the responsibility of the Company's management and has been approved by the Board of Directors of the company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder & other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review of the Statement in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.

FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No.: 01411N

by the hand of



CA ATUL AGGARWAL

Partner

Membership No.099374

UDIN: 19099374AAAAAZ2906



FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N

by the hand of



CA BHUPINDER SINGH

Partner

Membership No.092867

UDIN: 19092867AAAAAW2888



Date: 13.08.2019

Place: New Delhi

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

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110 052
Ph. No.011 27303078
E-mail: gandhica@yahoo.com

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended

**Review Report to,
The Board of Directors,
Power Finance Corporation Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / loss of its associates and joint venture for the quarter ended 30th June, 2019 (the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (the listed regulations) read with SEBI circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30.06.2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



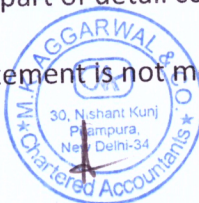
4. The Statement includes the results of the following entities:

Subsidiaries:	
1.	REC Limited [#]
2.	PFC Consulting Limited [#]
3.	Power Equity Capital Advisors Private Limited
Joint Venture Entity:	
1.	Energy Efficiency Services Limited
Associates:	
1.	Coastal Maharashtra Mega Power Limited
2.	Orissa Integrated Power Limited
3.	Coastal Karnataka Power Limited
4.	Coastal Tamil Nadu Power Limited
5.	Chhattisgarh Surguja Power Limited
6.	Deoghar Infra Limited
7.	Bihar Infrapower Limited
8.	Sakhigopal Integrated Power Company Limited
9.	Ghogarpalli Integrated Power Company Limited
10.	Tatiya Andhra Mega Power Limited
11.	Deoghar Mega Power Limited
12.	Cheyur Infra Limited
13.	Odisha Infrapower Limited
14.	Bihar Mega Power Limited
15.	Jharkhand Infrapower Limited

[#]consolidated financial results

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard as specified u/s 133 of the Companies Act 2013, as amended read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the unaudited financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total revenues of ₹ 7,010.17 crore, total net profit after tax of ₹ 1,509.00 crore and total comprehensive income of ₹ 1,483.04 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above. These financial results includes share of net profit after tax of ₹ 6.35 crore and total comprehensive income of ₹ 2.41 crore in respect of one joint venture (JV) which has not been reviewed. The said JV being the common JV in the group, these numbers also forms part of detail contained in para 7 below.

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



7. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed / audited by their auditors, whose financial results reflect total revenues of ₹ 12.40 crore, total net profit after tax of ₹ 3.09 crore and total comprehensive income of ₹ 3.09 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of ₹ 11.25 crore and total comprehensive income of ₹ 7.31 crore for the quarter ended 30.06.2019, as considered in the consolidated unaudited financial results, in respect of fifteen associates and one joint venture, based on their financial results which have not been reviewed / audited by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

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

FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No.: 01411N

by the hand of


CA ATUL AGGARWAL

Partner

Membership No.099374

UDIN: 19099374AAAABA7989



FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N

by the hand of


CA BHUPINDER SINGH

Partner

Membership No.092867

UDIN: 19092867AAAAAX9895



Date: 13.08.2019

Place: New Delhi

Statement of Un-Audited Standalone Financial Results for the Quarter ended 30.06.2019

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	Revenue from Operations				
(i)	Interest Income	7,531.87	7,636.40	6,627.63	28,440.97
(ii)	Dividend Income	0.47	42.17	4.06	167.03
(iii)	Fees and Commission Income	45.55	22.55	11.15	149.02
(iv)	Net Gain on Fair Value Changes	2.73	-	340.84	84.98
I.	Total Revenue from Operations	7,580.62	7,701.12	6,983.68	28,842.00
II.	Other Income	4.68	1.52	1.08	9.29
III.	Total Income (I+II)	7,585.30	7,702.64	6,984.76	28,851.29
	Expenses				
(i)	Finance Costs	5,366.49	4,979.93	4,539.99	18,981.76
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	(24.02)	(98.57)	317.62	520.23
(iii)	Fees and Commission Expense	2.41	3.90	1.32	10.09
(iv)	Net Loss on Fair Value changes	-	283.46	-	-
(v)	Impairment on Financial Instruments	221.39	(509.66)	4.24	(871.48)
(vi)	Employee Benefit Expenses	49.98	37.80	44.79	173.57
(vii)	Depreciation and Amortisation	1.72	1.93	1.21	6.14
(viii)	Corporate Social Responsibility Expenses	10.44	44.30	4.36	100.50
(ix)	Other Expenses	16.26	43.55	16.51	114.69
IV.	Total Expenses	5,644.67	4,786.64	4,930.04	19,035.50
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	1,940.63	2,916.00	2,054.72	9,815.79
VI.	Exceptional Items	-	-	-	-
VII.	Profit/(Loss) Before Tax (V-VI)	1,940.63	2,916.00	2,054.72	9,815.79
	Tax Expense:				
(1)	Current Tax				
	Current Year	571.87	720.30	426.22	2,346.50
	Earlier Years	-	1.22	-	1.22
(2)	Deferred Tax	(14.00)	76.92	244.48	515.15
VIII.	Total Tax Expense	557.87	798.44	670.70	2,862.87
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	1,382.76	2,117.56	1,384.02	6,952.92
X.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	1,382.76	2,117.56	1,384.02	6,952.92
XII.	Other Comprehensive Income				
(A)	(i) Items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	(0.91)	(7.95)	1.43	(3.63)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	18.14	(57.79)	(151.61)	(154.88)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	0.42	0.37	0.44	1.69
	- Re-measurement of Defined Benefit Plans				
	Sub-Total (A)	17.65	(65.37)	(149.74)	(156.82)
(B)	(i) Items that will be reclassified to Profit or Loss				
	-Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	11.07	(45.07)	-	(77.08)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(3.87)	15.74	-	26.93
	Sub-Total (B)	7.20	(29.33)	-	(50.15)
	Other Comprehensive Income (A+B)	24.85	(94.70)	(149.74)	(206.97)
XIII.	Total Comprehensive Income for the period (XI+XII)	1,407.61	2,022.86	1,234.28	6,745.95
XIV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08
XV.	Reserves (excluding Revaluation reserves) (As per Audited Balance Sheet as at 31st March)				40,647.91
XVI.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):*				
	(1) Basic EPS (₹)	5.24	8.02	5.24	26.34
	(2) Diluted EPS (₹)	5.24	8.02	5.24	26.34
XVII.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for discontinued operations):*				
	(1) Basic EPS (₹)	-	-	-	-
	(2) Diluted EPS (₹)	-	-	-	-
XVIII.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):*				
	(1) Basic EPS (₹)	5.24	8.02	5.24	26.34
	(2) Diluted EPS (₹)	5.24	8.02	5.24	26.34

* EPS for the quarters are not annualised.

See accompanying notes to the financial results



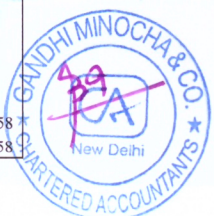
Statement of Un-Audited Consolidated Financial Results for the Quarter ended 30.06.2019

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations				
(i)	Interest Income	14,510.29	14,190.59	12,367.20	53,435.70
(ii)	Dividend Income	0.47	52.25	4.06	76.63
(iii)	Fees and Commission Income	59.79	25.35	15.27	374.11
(iv)	Net Gain on Fair Value Changes	2.73	-	921.39	-
(v)	Other Operating Income	25.93	107.04	34.78	227.50
I.	Total Revenue from Operations	14,599.22	14,375.23	13,342.70	54,113.94
II.	Other Income	8.64	16.79	2.85	42.89
III.	Total Income (I+II)	14,607.86	14,392.02	13,345.55	54,156.83
	Expenses				
(i)	Finance Costs	9,937.81	9,140.45	8,159.01	34,620.96
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	18.05	(160.25)	650.34	1,041.42
(iii)	Fees and Commission Expense	9.21	16.21	11.18	44.47
(iv)	Net Loss on Fair Value changes	190.58	1,045.49	-	263.54
(v)	Impairment on Financial Instruments	193.34	(488.17)	132.48	(625.73)
(vi)	Cost of services rendered	17.25	43.39	10.68	85.15
(vii)	Employee Benefit Expenses	107.19	92.94	97.42	362.66
(viii)	Depreciation and Amortisation	5.12	4.50	3.35	15.49
(ix)	Corporate Social Responsibility Expenses	35.26	63.88	52.10	206.32
(x)	Other Expenses	42.35	79.71	42.40	324.77
IV.	Total Expenses	10,556.16	9,838.15	9,158.96	36,339.05
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	4,051.70	4,553.87	4,186.59	17,817.78
VI.	Exceptional Items	-	-	-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates	11.25	31.35	0.81	44.25
VIII.	Profit/(Loss) Before Tax (V-VI)+VII.	4,062.95	4,585.21	4,187.40	17,862.03
	Tax Expense:				
(1)	Current Tax				
	Current Year	1,157.02	1,089.24	775.57	4,182.75
	Earlier Years	10.30	(12.06)	-	(12.75)
(2)	Deferred Tax	(4.11)	112.30	547.76	1,051.76
IX.	Total Tax Expense	1,163.21	1,189.48	1,323.33	5,221.76
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)	2,899.74	3,395.73	2,864.07	12,640.27
XI.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-
XII.	Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)	2,899.74	3,395.73	2,864.07	12,640.27
XIII.	Other Comprehensive Income				
(A)	(i) Items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	(0.91)	(34.78)	1.43	(23.00)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(5.47)	(79.81)	(223.05)	(202.25)
	- Share of other Comprehensive Income / (Loss) in Joint Venture accounted using equity method	-	(0.27)	-	(0.13)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
	- Re-measurement of Defined Benefit Plans	0.42	9.75	0.44	8.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments	0.78	0.12	(0.83)	(0.68)
	Sub-Total (A)	(5.18)	(104.99)	(222.01)	(217.60)
(B)	(i) Items that will be reclassified to Profit or Loss				
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	11.07	(45.07)	-	(77.08)
	- Share of other Comprehensive Income in Joint Venture accounted using equity method	(3.94)	-	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(3.06)	15.74	-	26.93
	Sub-Total (B)	4.07	(29.33)	-	(50.15)
	Other Comprehensive Income (A+B)	(1.11)	(134.32)	(222.01)	(267.75)
XIV.	Total Comprehensive Income for the period (XII+XIII)	2,898.63	3,261.41	2,642.06	12,372.52
	Profit attributable to:				
	- Owners of the Company	2,185.00	2,802.40	2,166.87	9,920.86
	- Non-Controlling Interest	714.74	593.32	697.20	2,719.41
		2,899.74	3,395.73	2,864.07	12,640.27
	Other Comprehensive Income attributable to:				
	- Owners of the Company	11.19	(115.63)	(187.78)	(239.05)
	- Non-Controlling Interest	(12.30)	(18.69)	(34.23)	(28.70)
		(1.11)	(134.32)	(222.01)	(267.75)
	Total Comprehensive Income attributable to:				
	- Owners of the Company	2,196.19	2,686.77	1,979.09	9,681.81
	- Non-Controlling Interest	702.44	574.64	662.97	2,690.71
		2,898.63	3,261.41	2,642.06	12,372.52
XV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08
XVI.	Reserves (excluding Revaluation reserves) (As per Audited balance Sheet as at 31st March)				44,481.17
XVII.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):*				
	(1) Basic EPS (₹)	8.28	10.61	8.21	37.58
	(2) Diluted EPS (₹)	8.28	10.61	8.21	37.58
XVIII.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for discontinued operations):*				
	(1) Basic EPS (₹)	-	-	-	-
	(2) Diluted EPS (₹)	-	-	-	-
XIX.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):*				
	(1) Basic EPS (₹)	8.28	10.61	8.21	37.58
	(2) Diluted EPS (₹)	8.28	10.61	8.21	37.58

* EPS for the quarters are not annualised.

See accompanying notes to the financial results



Notes:

1	These financial results have been reviewed & recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 13.08.2019. The same have been limited reviewed by M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. However, since the consolidated financial results of the Company are being submitted for the first time pursuant to the mandatory requirement w.e.f. 01.04.2019, the consolidated figures for the comparative periods for the quarter ended 30.06.2018 and quarter ended 31.03.2019, as reported in these financial results, have not been subjected to limited review.
2	The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
3	The Company has adopted Ind AS 116 - 'Leases' using modified retrospective approach w.e.f. 01.04.2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards) Second Amendment Rules, 2019 dated 30.03.2019. This has resulted in recognition of 'Right to Use Asset' of ₹ 36.09 crore and 'Lease Liability' of ₹ 8.82 crore. The impact on the profit for the quarter is not material.
4	As a matter of prudence, income on credit impaired loans is recognised only when expected realisation is higher than the loan amount outstanding.
5	For all the secured bonds issued by the Company and outstanding as at 30.06.2019, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.
6	Consolidated financial results for the quarter ended 30.06.2019 of the Company include the quarterly limited reviewed result of one subsidiary and management approved results of two subsidiaries, one joint venture entity and fifteen associates. The financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 - 'Consolidated Financial Statements', Ind AS 111 - 'Joint Arrangements' and Ind AS 28 - 'Investments in Associates and Joint Ventures'.
7	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's / Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.
8	Pursuant to amalgamation of PFC Green Energy Limited, a wholly owned subsidiary, with the Company w.e.f. 01.04.2017 (appointed date as per order of amalgamation) vide MCA's order dated 07.02.2019, the financial results for the comparative period have been adjusted to give effect of this amalgamation.
9	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 13.08.2019


RAJEEV SHARMA
Chairman & Managing Director
DIN – 00973413

