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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure requirement) 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 half year ended 30.09.2019 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 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 14.11.2019, 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 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 Matter**
5. The company has provided 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.

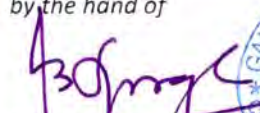
Our opinion on the statement is not modified in respect of above matter.

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N

by the hand of


CA BHUPINDER SINGH

Partner

Membership No. 092867

UDIN: 19092867 AAAA EL7429

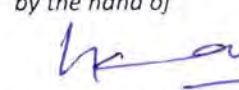


FOR DASS GUPTA & ASSOCIATES

Chartered Accountants

Firm's Registration No.: 000112N

by the hand of


CA NARESH KUMAR

Partner

Membership No. 082069

UDIN: 1982069 AAAA K5442



Date: 14.11.2019

Place: New Delhi

Power Finance Corporation Limited
 Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Website: <http://www.pfcindia.com>
 CIN L65910DL1986GOI024862
Statement of Un-Audited Standalone Financial Results for the Quarter and Half Year Ended 30.09.2019

Sr. No.	Particulars	Quarter Ended			Half Year Ended		(₹ in crore)
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	Year Ended
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations						
(i)	Interest Income						
(ii)	Dividend Income	7,989.83	7,531.87	6,922.41	15,521.70	13,550.04	28,440.97
(iii)	Fees and Commission Income	0.77	0.47	18.95	1.24	23.01	167.03
I.	Total Revenue from Operations	31.94	45.55	90.95	77.49	102.10	149.02
II.	Other Income	8,022.54	7,577.89	7,032.31	15,600.43	13,675.15	28,757.02
III.	Total Income (I+II)	1.75	4.68	5.59	6.43	6.67	9.29
	Expenses	8,024.29	7,582.57	7,037.90	15,606.86	13,681.82	28,766.31
(i)	Finance Costs	5,439.13	5,366.49	4,671.77	10,805.62	9,211.76	18,981.76
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	560.96	(24.02)	648.39	536.94	966.01	520.23
(iii)	Fees and Commission Expense	1.67	2.41	2.95	4.08	4.27	10.09
(iv)	Net Loss on Fair Value changes [Loss (+) / Gain (-)]	(204.65)	(2.73)	(388.82)	(207.38)	(729.66)	(84.98)
(v)	Impairment on Financial Instruments	390.48	221.39	(76.24)	611.87	(72.00)	(871.48)
(vi)	Employee Benefit Expenses	59.12	49.98	43.72	109.10	88.51	173.57
(vii)	Depreciation and Amortisation	2.02	1.72	1.34	3.74	2.55	6.14
(viii)	Corporate Social Responsibility Expenses	25.84	10.44	27.91	36.28	32.27	100.50
(ix)	Other Expenses	21.07	16.26	34.63	37.33	51.14	114.69
IV.	Total Expenses	6,295.64	5,641.94	4,965.65	11,937.58	9,554.85	18,950.52
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	1,728.65	1,940.63	2,072.25	3,669.28	4,126.97	9,815.79
VI.	Exceptional Items	-	-	-	-	-	-
VII.	Profit/(Loss) Before Tax (V-VI)	1,728.65	1,940.63	2,072.25	3,669.28	4,126.97	9,815.79
	Tax Expense:						
(1)	Current Tax:						
	Current Year	97.40	571.87	369.38	669.27	795.60	2,346.50
	Earlier Years	-	-	-	-	-	1.22
(2)	Deferred Tax	473.99	(14.00)	335.90	459.99	580.38	515.15
VIII.	Total Tax Expense	571.39	557.87	705.28	1,129.26	1,375.98	2,862.87
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	1,157.26	1,382.76	1,366.97	2,540.02	2,750.99	6,952.92
X.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	1,157.26	1,382.76	1,366.97	2,540.02	2,750.99	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	1.36	(0.91)	1.46	0.45	2.89	(3.63)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(149.28)	18.14	(30.37)	(131.14)	(181.98)	(154.88)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	(0.74)	0.42	0.44	(0.32)	0.88	1.69
	Sub-Total (A)	(148.66)	17.65	(28.47)	(131.01)	(178.21)	(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	(24.02)	11.07	(1.93)	(12.95)	(1.93)	(77.08)
	(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	(0.40)	(3.87)	-	(4.27)	-	26.93
	Sub-Total (B)	(24.42)	7.20	(1.93)	(17.22)	(1.93)	(50.15)
	Other Comprehensive Income (A+B)	(173.08)	24.85	(30.40)	(148.23)	(180.14)	(206.97)
XIII.	Total Comprehensive Income for the period (XI+XII)	984.18	1,407.61	1,336.57	2,391.79	2,570.85	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	2,640.08	2,640.08
XV.	Other Equity						
	(As per Audited Balance Sheet as at 31st March)	NA	NA	NA	NA	NA	40,647.91
XVI.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):*						
	(1) Basic EPS (₹)	4.38	5.24	5.18	9.62	10.42	26.34
	(2) Diluted EPS (₹)	4.38	5.24	5.18	9.62	10.42	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 (₹)	4.38	5.24	5.18	9.62	10.42	26.34
	(2) Diluted EPS (₹)	4.38	5.24	5.18	9.62	10.42	26.34

* EPS for the quarters and half years is not annualised.

See accompanying Notes to the Standalone Financial Results



Notes to the Standalone Financial Results:

1. Standalone Statement of Assets and Liabilities

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019 (Un-Audited)	As at 31.03.2019 (Audited)
	ASSETS		
1	Financial Assets		
(a)	Cash and Cash Equivalents	10.57	308.48
(b)	Bank Balance other than included in Cash and Cash Equivalents	12.61	13,846.53
(c)	Derivative Financial Instruments	882.23	567.98
(d)	Loans	3,14,884.26	3,03,210.36
(e)	Investments	16,504.57	16,586.20
(f)	Other Financial Assets	5,354.45	5,376.40
	Total Financial Assets (1)	3,37,648.69	3,39,895.95
2	Non- Financial Assets		
(a)	Current Tax Assets (Net)	814.46	497.89
(b)	Deferred Tax Assets (Net)	3,596.15	4,060.73
(c)	Property, Plant and Equipment	29.30	27.74
(d)	Other Intangible Assets	0.47	0.59
(e)	Right of Use Assets	35.98	-
(f)	Other Non-Financial Assets	154.75	242.09
	Total Non- Financial Assets (2)	4,631.11	4,829.04
	Total Assets (1+2)	3,42,279.80	3,44,724.99
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Derivative Financial Instruments	527.39	505.59
(b)	Debt Securities	2,12,525.33	2,05,584.49
(c)	Borrowings (other than Debt Securities)	68,325.57	80,344.53
(d)	Subordinated Liabilities	9,670.00	9,309.70
(e)	Other Financial Liabilities	5,427.78	5,327.84
	Total Financial Liabilities (1)	2,96,476.07	3,01,072.15
2	Non- Financial Liabilities		
(a)	Provisions	249.06	264.00
(b)	Other Non-Financial Liabilities	109.52	100.85
	Total Non- Financial Liabilities (2)	358.58	364.85
	Total Liabilities (1+2)	2,96,834.65	3,01,437.00
3	Equity		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	42,805.07	40,647.91
	Total Equity (3)	45,445.15	43,287.99
	Total Liabilities and Equity (1+2+3)	3,42,279.80	3,44,724.99



2. Standalone Statement of Cash Flows for the Half Year ended 30.09.2019

Sr. No.	Description	Half Year ended 30.09.2019		Half Year ended 30.09.2018	
(₹ in crore)					
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	3,669.28		4,126.97	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	0.28		0.19	
	Depreciation and Amortisation	3.74		2.55	
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	212.37		44.96	
	Unrealised Foreign Exchange Translation Loss / (Gain)	524.66		965.91	
	Net Change in Fair Value	-		(729.66)	
	Effective Interest Rate on Loans	4.54		1.19	
	Impairment on Financial Instruments	611.87		(72.00)	
	Interest on Investments	(106.49)		(73.97)	
	Interest on Interest Subsidy Fund	0.69		2.89	
	Provision for Retirement Benefits etc	27.40		30.02	
	Dividend Income	(1.24)		(23.01)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(70.45)		(9.18)	
	Interest on Income Tax Refund	(0.57)		-	
	Interest expenses on Lease Liability	0.39		-	
	Operating profit before Working Capital Changes:	4,876.47		4,266.86	
	Increase / Decrease :				
	Loans (Net)	(12,306.74)		(14,245.10)	
	Other Financial and Non-Financial Assets	13,816.92		(1,550.04)	
	Derivative	(292.45)		(151.13)	
	Liabilities and provisions	1,570.40		553.64	
	Cash Flow before Exceptional Items	7,664.60		(11,125.77)	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	7,664.60		(11,125.77)	
	Income Tax paid	(987.33)		(891.98)	
	Income Tax Refund	56.84		14.20	
	Net Cash flow from Operating Activities		6,734.11		(12,003.55)
II.	Cash Flow From Investing Activities :				
	Proceeds from disposal of Property, Plant and Equipment	0.07		0.02	
	Purchase of Property, Plant and Equipment	(5.31)		(1.95)	
	Interest on investment	108.13		28.92	
	Dividend on investment	1.24		23.01	
	Increase / Decrease in Other Investments	3.03		(99.08)	
	Net Cash Used in Investing Activities		107.16		(49.08)
III.	Cash Flow From Financing Activities :				
	Raising of Bonds (including premium) (Net of Redemptions)	80.80		(12,919.68)	
	Raising of Long Term Loans (Net of Repayments)	495.43		16,779.00	
	Raising of Foreign Currency Loans (Net of Repayments)	11,738.29		5,911.21	
	Raising of Subordinated Liabilities (Net of Redemptions)	0.00		(0.00)	
	Raising of Commercial paper (Net of Repayments)	(7,000.00)		(630.00)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(12,452.68)		2,680.42	
	Unclaimed Bonds (Net)	(0.62)		(3.50)	
	Unclaimed Dividend (Net)	(0.01)		0.86	
	Payment of Lease Liability	(0.39)		-	
	Net Cash in-flow from Financing Activities		(7,139.18)		11,818.31
	Net Increase / Decrease in Cash and Cash Equivalents		(297.91)		(234.32)
	Add : Cash and Cash Equivalents at beginning of the financial year		308.48		537.71
	Cash and Cash Equivalents at the end of the Half Year		10.57		303.39
	Details of Cash and Cash Equivalents at the end of the Half Year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts				
	In Term Deposit Accounts	10.57		3.39	
	ii) Cheques, Drafts on hand including postage and Imprest	-	10.57	300.00	303.39
	Total Cash and Cash Equivalents at the end of the Half Year		10.57		303.39



3	These financial results have been reviewed & recommended by the Audit Committee and subsequently approved and taken on record by the Board of Directors of the Company in their respective meetings held on 14.11.2019. The same have been subjected to limited reviewed by Joint Statutory Auditors, Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.			
4	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.			
5	Detail of credit impaired loan assets and impairment loss allowance thereon maintained by the Company as per Ind AS 109 is as under.			
			(₹ in crore)	
	S. No.	Particulars	As on 30.09.2019	As on 31.03.2019
	a)	Credit Impaired loan assets	29,465.75	29,540.31
	b)	Impairment Loss Allowance Maintained	15,368.64	15,021.01
	c)	Impairment Loss Allowance Coverage (%) (b/a)	52.16%	50.85%
6	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.			
7	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 ₹ 36.20 crore and 'Lease Liability' ₹ 8.82 crore. The impact on profit for the quarter and half year ended 30.09.2019 is not material.			
8	The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Provision for Income Tax (current tax) for the quarter and half year ended 30.09.2019 has been recognised on annualised basis. Also, Deferred Tax Assets/ Liability has been remeasured on the basis of the rate prescribed under Section 115BAA by revising the annual effective income tax rate and recognising the effect of change over the financial year.			
9	For all secured bonds issued by the Company and outstanding as at 30.09.2019, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.			
10	Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 as amended:			
	Particulars		As on 30.09.2019	
	(i) Debt Equity Ratio		6.21	
	(ii) Outstanding Redeemable Preference Shares		Nil	
	(iii) Net Worth (₹ in crore)		45,445.15	
	iv) The Company is not required to create Debenture Redemption Reserve (DRR) in terms of Companies (Share Capital and Debentures) Rules, 2014 read with Companies (Share Capital and Debentures) Amendments Rules, 2019. Pursuant to such amendment, entire balance of DRR of ₹ 2,086.49 crore existing in the books of accounts of the Company as at 30.06.2019 has been transferred to General Reserve during the quarter ended 30.09.2019.			
	v) Ratings for the Company's long term domestic borrowing programme (including bank loans) continue to be the highest rating of CRISIL AAA, ICRA AAA and CARE AAA as assigned by domestic rating agencies CRISIL, ICRA and CARE respectively. The Company's short term domestic borrowing programme (including bank loans) continues to have the highest rating of CRISIL A1+, ICRA A1+ and CARE A1+ assigned by CRISIL, ICRA and CARE respectively. The Company's international credit ratings continue to be Baa3, BBB- and BBB- assigned by International Credit Rating Agencies Moody's, Fitch and Standard and Poor's respectively.			
	vi) The Company has been raising funds through various instruments including series of non-convertible bond issues. During the half year ended 30.09.2019, the Company has not defaulted in servicing of its borrowings. As regards non-convertible Rupee denominated bonds, the previous due date for payment of principal and interest was 17.09.2019 and 30.09.2019 respectively.			



11	During the current quarter, Government of India (GoI) has transferred 7,63,13,829 equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of CPSE ETF. Accordingly, shareholding of GoI in the paid-up equity capital of the Company has come down from 59.05% as on 30.06.2019 to 56.16% as on 30.09.2019.
12	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.
13	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, figures for the comparative period have been adjusted to give effect of this amalgamation.
14	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 14.11.2019


RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413



Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 half year ended 30.09.2019 (the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended 30.09.2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results has become mandatory from 01.04.2019.
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 14.11.2019, 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 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 [#]
3.	Power Equity Capital Advisors Private Limited (under process of striking off)
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 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 and other accounting principles generally accepted in India, 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 misstatement.

Other Matters

6. We did not review the unaudited financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total assets of ₹ 3,20,195.37 crore as at 30.09.2019 and total revenues of ₹ 7,483.75 crore and ₹ 14,493.92 crore, total net profit after tax of ₹ 1,322.47 crore and ₹ 2,831.47 crore and total comprehensive income (net of tax) of ₹ 1,267.10 crore and ₹ 2,750.14 crore for the quarter and half year ended 30.09.2019, and cash flows (net) of ₹ 3,018.43 crore for the half year ended 30.09.2019, 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 ₹ (2.04) crore and ₹ 4.31 crore and total comprehensive income (net of tax) of ₹ (2.15) crore and ₹ 1.07 crore for the quarter and half year ended 30.09.2019 respectively 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.
7. The consolidated unaudited financial results includes the financial results of two subsidiary which have not been reviewed by their auditors, whose financial results reflect total assets of ₹ 136.25 crore at as 30.09.2019, total revenues of ₹ 29.52 crore and ₹ 41.92 crore, total net profit after tax of ₹ 15.11 crore and ₹ 18.20 crore and total comprehensive income of ₹ 15.11 crore and ₹ 18.20 crore for the quarter and half year ended 30.09.2019, and cash flows (net) of ₹ (12.92) crore for the half year ended 30.09.2019, 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 ₹ 0.17 crore and ₹ 11.42 crore, total comprehensive income of ₹ (0.09) crore and ₹ 8.03 crore for the quarter and half year ended 30.09.2019, 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 by their



auditors. 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 provided 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.

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

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N

by the hand of



CA BHUPINDER SINGH

Partner

Membership No.092867

UDIN: 19092867AAAAEK1376

FOR DASS GUPTA & ASSOCIATES

Chartered Accountants

Firm's Registration No.: 000112N

by the hand of



CA NARESH KUMAR

Partner

Membership No. 082069

UDIN: 19082069AAAAAL5849

Date: 14.11.2019

Place: New Delhi

Power Finance Corporation Limited
Urjanidhi, I, Barakhamba Lane, Connaught Place, New Delhi. Website: <http://www.pfcindia.com>
CIN L65910DL1986GO1024862
Statement of Un-Audited Consolidated Financial Results for the Quarter and Half Year Ended 30.09.2019

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	Revenue from Operations						
(i)	Interest Income	15,397.11	14,510.29	12,993.57	29,907.40	25,360.77	53,435.70
(ii)	Dividend Income	16.03	0.47	20.19	16.50	24.25	76.63
(iii)	Fees and Commission Income	34.62	59.79	215.59	94.41	230.86	374.11
(iv)	Other Operating Income	81.84	25.93	46.39	107.77	81.17	227.50
I.	Total Revenue from Operations	15,529.60	14,596.49	13,275.74	30,126.08	25,697.05	54,113.94
II.	Other Income	7.95	8.64	18.06	16.59	20.91	42.89
III.	Total Income (I+II)	15,537.55	14,605.13	13,293.80	30,142.67	25,717.96	54,156.83
	Expenses						
(i)	Finance Costs	10,152.69	9,937.81	8,450.35	20,090.50	16,609.36	34,620.96
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)	1,191.02	18.05	1,430.90	1,209.07	2,081.24	1,041.42
(iii)	Fees and Commission Expense	5.71	9.21	7.41	14.92	18.59	44.47
(iv)	Net Loss on Fair Value changes [Loss (+) / Gain (-)]	(380.20)	187.85	(1,434.47)	(192.35)	(2,355.86)	263.54
(v)	Impairment on Financial Instruments	699.85	193.34	(8.97)	893.19	123.51	(625.73)
(vi)	Cost of services rendered	14.17	17.25	19.86	31.42	30.54	85.15
(vii)	Employee Benefit Expenses	110.46	107.19	76.78	217.65	174.20	362.66
(viii)	Depreciation and Amortisation	5.59	5.12	3.47	10.71	6.82	15.49
(ix)	Corporate Social Responsibility Expenses	52.68	35.26	40.04	87.94	92.14	206.32
(x)	Other Expenses	66.13	42.35	145.86	108.48	188.26	324.77
IV.	Total Expenses	11,918.10	10,553.43	8,731.23	22,471.53	16,968.79	36,339.05
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	3,619.45	4,051.70	4,562.57	7,671.14	8,749.17	17,817.78
VI.	Exceptional Items	-	-	-	-	-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates	0.17	11.25	(8.29)	11.42	(7.48)	44.25
VIII.	Profit/(Loss) Before Tax (V-VI)+VII.	3,619.62	4,062.95	4,554.28	7,682.56	8,741.69	17,862.03
	Tax Expense:						
	(1) Current Tax:						
	Current Year	345.03	1,157.02	683.60	1,502.05	1,459.17	4,182.75
	Earlier Years	-	10.30	-	10.30	0.00	(12.75)
	(2) Deferred Tax	777.49	(4.11)	1,361.91	773.38	1,909.67	1,051.76
IX.	Total Tax Expense	1,122.52	1,163.21	2,045.51	2,285.73	3,368.84	5,221.76
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)	2,497.10	2,899.74	2,508.77	5,396.83	5,372.85	12,640.27
XI.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-	-
XII.	Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)	2,497.10	2,899.74	2,508.77	5,396.83	5,372.85	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	9.32	(0.91)	8.92	8.41	10.35	(23.00)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(222.11)	(5.47)	(53.01)	(227.58)	(276.06)	(202.25)
	- Share of other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	(0.32)	-	0.19	(0.32)	0.19	(0.13)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	(2.74)	0.42	0.44	(2.32)	0.88	8.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments	11.61	0.78	(0.99)	12.39	(1.82)	(0.68)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	0.07	-	0.04	0.07	0.04	-
	Sub-Total (A)	(204.17)	(5.18)	(44.41)	(209.35)	(266.42)	(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	(24.02)	11.07	(1.93)	(12.95)	(1.93)	(77.08)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	(3.94)	-	(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	(0.40)	(3.87)	-	(4.27)	-	26.93
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	(0.01)	0.81	-	0.80	-	-
	Sub-Total (B)	(24.43)	4.07	(1.93)	(20.36)	(1.93)	(50.15)
	Other Comprehensive Income (A+B)	(228.60)	(1.11)	(46.34)	(229.71)	(268.35)	(267.75)
XIV.	Total Comprehensive Income for the period (XII+XIII)	2,268.50	2,898.63	2,462.43	5,167.12	5,104.50	12,372.52
	Profit attributable to:						
	- Owners of the Company	1,870.71	2,185.00	1,688.05	4,055.70	3,854.93	9,920.86
	- Non-Controlling Interest	626.39	714.74	820.72	1,341.13	1,517.92	2,719.41
		2,497.10	2,899.74	2,508.77	5,396.83	5,372.85	12,640.27
	Other Comprehensive Income attributable to:						
	- Owners of the Company	(202.37)	11.19	(38.70)	(191.18)	(226.48)	(239.05)
	- Non-Controlling Interest	(26.23)	(12.30)	(7.64)	(38.53)	(41.87)	(28.70)
		(228.60)	(1.11)	(46.34)	(229.71)	(268.35)	(267.75)
	Total Comprehensive Income attributable to:						
	- Owners of the Company	1,668.34	2,196.19	1,649.35	3,864.52	3,628.45	9,681.81
	- Non-Controlling Interest	600.16	702.44	813.08	1,302.60	1,476.05	2,690.71
		2,268.50	2,898.63	2,462.43	5,167.12	5,104.50	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	2,640.08	2,640.08
XVI.	Other Equity (As per Audited balance Sheet as at 31st March)	NA	NA	NA	NA	NA	44,481.17
XVII.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):*						
	(1) Basic EPS (₹)	7.08	8.28	6.39	15.36	14.60	37.58
	(2) Diluted EPS (₹)	7.08	8.28	6.39	15.36	14.60	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 (₹)	7.08	8.28	6.39	15.36	14.60	37.58
	(2) Diluted EPS (₹)	7.08	8.28	6.39	15.36	14.60	37.58

* EPS for the quarters and half years is not annualised.

See accompanying Notes to the Consolidated Financial Results



Notes to the Consolidated Financial Results:

1. Consolidated Statement of Assets and Liabilities

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
		(Un-Audited)	(Audited)
	ASSETS		
1	Financial Assets		
(a)	Cash and Cash Equivalents	3,432.62	725.03
(b)	Bank Balance other than included in Cash and Cash Equivalents	870.52	15,606.41
(c)	Derivative Financial Instruments	3,096.61	2,370.56
(d)	Trade Receivables	158.00	172.13
(e)	Loans	6,04,869.99	5,73,661.28
(f)	Investments	4,517.27	4,603.77
(g)	Other Financial Assets	23,691.02	23,761.47
	Total Financial Assets (1)	6,40,636.03	6,20,900.65
2	Non- Financial Assets		
(a)	Current Tax Assets (Net)	1,125.07	795.20
(b)	Deferred Tax Assets (Net)	5,605.81	6,369.74
(c)	Investment Property	0.01	0.01
(d)	Property, Plant and Equipment	186.32	186.45
(e)	Capital Work-in-Progress	249.46	196.94
(f)	Intangible Assets under development	1.59	1.59
(g)	Other intangible Assets	10.20	9.18
(h)	Right of Use Assets	42.88	-
(i)	Other Non-Financial Assets	284.75	393.50
	Total Non- Financial Assets (2)	7,506.09	7,952.61
3	Assets Classified as held for sale	13.10	9.56
	Total Assets (1+2+3)	6,48,155.22	6,28,862.82
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Derivative Financial Instruments	1,118.12	664.99
(b)	Trade Payables		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	-	2.65
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	58.70	72.26
(c)	Debt Securities	4,18,682.48	3,98,352.00
(d)	Borrowings (other than Debt Securities)	1,20,682.34	1,27,007.07
(e)	Subordinated Liabilities	14,485.24	14,128.46
(f)	Other Financial Liabilities	24,376.28	24,574.28
	Total Financial Liabilities (1)	5,79,403.16	5,64,801.71
2	Non- Financial Liabilities		
(a)	Provisions	331.96	366.81
(b)	Other Non-Financial Liabilities	216.15	209.95
	Total Non- Financial Liabilities (2)	548.11	576.76
3	Liabilities directly associated with assets classified as held for sale	-	0.08
	Total Liabilities (1+2+3)	5,79,951.27	5,65,378.55
4	Equity		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	47,989.30	44,481.17
	Equity attributable to owners of the Company (a+b)	50,629.38	47,121.25
(c)	Non-Controlling interest	17,574.57	16,363.02
	Total Equity (4)	68,203.95	63,484.27
	Total Liabilities and Equity (1+2+3+4)	6,48,155.22	6,28,862.82

2. Consolidated Statement of Cash Flows for the Half Year ended 30.09.2019

(₹ in Crore)

Sr. No.	Description	Half Year ended 30.09.2019		Half Year ended 30.09.2018	
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	7,682.56		8,741.69	
	Add / (Less): Adjustments for				
	Loss on derecognition of Property, Plant and Equipment (net)	0.90		0.52	
	Depreciation and Amortisation	10.71		6.82	
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	578.92		215.87	
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,022.05		1,659.87	
	Net Change in Fair Value	17.69		(2,353.84)	
	Effective Interest Rate on Loans	39.17		(13.33)	
	Impairment on Financial Instruments	893.19		123.51	
	Interest on Investments and Others	(200.46)		(193.94)	
	Interest on Interest Subsidy Fund	0.69		2.89	
	Excess Liabilities written back	(0.60)		-	
	Provision for Retirement Benefits etc.	27.40		30.02	
	Dividend Income	(16.50)		(24.25)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(78.09)		(16.09)	
	Interest on Income Tax Refund	(0.57)		-	
	Interest expenses on Lease Liability	0.39		-	
	Share of Profit/Loss of Joint Venture accounted for using equity method	(11.42)		7.48	
	Operating profit before Working Capital Changes:	9,966.03		8,187.22	
	Increase / Decrease :				
	Loans (Net)	(31,925.17)		(31,764.03)	
	Other Financial and Non-Financial Assets	14,666.65		(7,542.36)	
	Derivative	(358.31)		(861.11)	
	Liabilities and provisions	2,105.97		7,587.02	
	Cash Flow before Exceptional Items	(5,544.83)		(24,393.26)	
	Exceptional Items	-		-	
	Cash Flow from Operations Before Tax	(5,544.83)		(24,393.26)	
	Income Tax paid	(1,858.42)		(1,710.53)	
	Income Tax Refund	69.71		14.20	
	Net Cash flow from Operating Activities		(7,333.54)		(26,089.58)
II.	Cash Flow From Investing Activities :				
	Proceeds from disposal of Property, Plant and Equipment	0.91		0.11	
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(72.61)		(50.05)	
	Interest on investment	154.19		49.35	
	Dividend on investment	16.50		24.25	
	Increase / Decrease in Other Investments	(111.02)		100.81	
	Net Cash Used in Investing Activities		(12.03)		124.47
III.	Cash Flow From Financing Activities :				
	Raising of Bonds (including premium) (Net of Redemptions)	9,806.17		(12,403.98)	
	Raising of Long Term Loans (Net of Repayments)	3,095.04		22,912.00	
	Raising of Foreign Currency Loans (Net of Repayments)	18,922.03		8,331.40	
	Raising of Commercial paper (Net of Repayments)	(9,315.96)		3,996.20	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(12,452.69)		2,680.42	
	Unclaimed Bonds (Net)	(0.62)		(3.50)	
	Unclaimed Dividend (Net)	(0.01)		0.86	
	Payment of Lease Liability	(0.80)		-	
	Payment of Interim Dividend	-		11.06	
	Payment of Corporate Dividend Tax	-		(10.87)	
	Net Cash in-flow from Financing Activities		10,053.16		25,513.59
	Net Increase / Decrease in Cash and Cash Equivalents		2707.59		(451.53)
	Add : Cash and Cash Equivalents at beginning of the financial year		725.03		825.04
	Cash and Cash Equivalents at the end of the Half Year		3432.62		373.51
	Details of Cash and Cash Equivalents at the end of the Half Year:				
	(i) Balances with Banks (of the nature of cash and cash equivalents)	1,018.27		55.64	
	(ii) Current accounts	1,866.29	2884.56	317.82	373.46
	(iii) Term Deposit Accounts		0.06		0.05
	(iv) Cheques, Drafts on hand including postage and Imprest		548.00		0.00
	(v) Investment in Debt Mutual Fund				
	Total Cash and Cash Equivalents at the end of the Half Year		3432.62		373.51

3 These financial results have been reviewed & recommended by the Audit Committee and subsequently approved and taken on record by the Board of Directors of the Company in their respective meetings held on 14.11.2019. The same have been subjected to limited reviewed by Joint Statutory Auditors, Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. However, the consolidated figures for the comparative period ended 30.09.2018, as reported in these financial results, have not been subjected to limited review since the requirement of submission of quarterly consolidated financial results has become mandatory from April 01, 2019.

4 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.

5 Detail of credit impaired loan assets and impairment loss allowance, as per Ind AS 109, maintained by the Company and its subsidiary, REC Ltd., in respect of such accounts, is as under.

(₹ in crore)			
S. No.	Particulars	As at 30.09.2019	As at 31.03.2019
a)	Credit Impaired loan assets	50,101.80	49,888.75
b)	Impairment Loss Allowance Maintained	25,562.78	24,719.96
c)	Impairment Loss Allowance Coverage (%) (b/a)	51.02%	49.55%

6 As a matter of prudence, income on credit impaired loans is recognised as and when received and on accrual basis either on resolutions of stressed assets or when expected realisation is higher than the loan amount outstanding.

7 The Company and its Subsidiaries have 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 ₹ 44.55 crore and 'Lease Liability' of ₹ 14.13 crore. The impact on profit for the quarter and half year ended 30.09.2019 is not material.

8 The Company and its subsidiary, REC Ltd., have exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Provision for Income Tax (current tax) for the quarter and half year ended 30.09.2019 has been recognised on annualised basis. Also, Deferred Tax Assets/Liability has been remeasured on the basis of the rate prescribed under Section 115BAA by revising the annual effective income tax rate and recognising the effect of change over the financial year.

9 Consolidated financial results for the quarter and half year ended 30.09.2019 include results of the Company, consolidated limited reviewed results of one subsidiary and management approved results 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'.

10 The disclosure of related party transactions on a consolidated basis for the half year ended 30.09.2019 has been given in Annexure - 'A'.

11 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.

12 Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 14.11.2019


RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413



Transactions with the related parties during the half year ended 30.09.2019 on consolidated basis.

Particulars	(₹ In Crore) Amount
Joint Venture	
CSR Expenses	0.63
Others	0.04
Associates	
Advances to associates	(3.08)
Interest income on advances to associates	13.04
Advances received from Associates	56.42
Interest expenses on advances from associates	2.86
Others	25.09
Trusts / Funds/ Foundations of the Group	
Contributions made during the year	7.69
Finance Cost – Interest paid	1.37
CSR Expenses	48.41
Key managerial personnel	
Short term employee benefits	4.23
Post-employment benefits	0.18
Other long term benefits	0.17
Repayment/ Recovery of loans and advances	(0.06)
Directors' Sitting Fees	0.19
Others	0.03



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Independent Auditor's Review Report on the Quarterly and 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 30.09.2019, Statement of Profit & Loss, Cash flow statement and Statement of changes in equity for the period then ended and Significant Accounting Policies and Summarized Notes to Accounts thereon.
2. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors, 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 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 provided Expected Credit Loss (ECL) 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 ECL calculations so provided by the said independent expert.

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 ongoing Global Medium Term notes (GMTN) programme.

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


CA BHUPINDER SINGH
Partner
Membership No. 092867
UDIN: 19092867AAAAEM2256

Date: 14.11.2019
Place: New Delhi

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


CA NAREESH KUMAR
Partner
Membership No. 082069
UDIN: 19082069AAAAAM3081

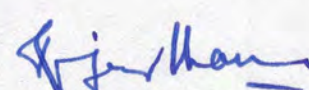
Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Standalone Balance Sheet as at September 30, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 30.09.2019	As at 31.03.2019
	ASSETS			
1	Financial Assets			
(a)	Cash and Cash Equivalents	1	10.57	308.48
(b)	Bank Balance other than included in Cash and Cash Equivalents	2	12.61	13,846.53
(c)	Derivative Financial Instruments	3	882.23	567.98
(d)	Loans	4	3,14,884.26	3,03,210.36
(e)	Investments	5	16,504.57	16,586.20
(f)	Other Financial Assets	6	5,354.45	5,376.40
	Total Financial Assets (1)		3,37,648.69	3,39,895.95
2	Non- Financial Assets			
(a)	Current Tax Assets (Net)	7	814.46	497.89
(b)	Deferred Tax Assets (Net)		3,596.15	4,060.73
(c)	Property, Plant and Equipment	8	29.30	27.74
(d)	Intangible Assets	8	0.47	0.59
(e)	Right-of-use Assets	9	35.98	-
(f)	Other Non-Financial Assets	10	154.75	242.09
	Total Non- Financial Assets (2)		4,631.11	4,829.04
	Total Assets (1+2)		3,42,279.80	3,44,724.99
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Derivative Financial Instruments	3	527.39	505.59
(b)	Debt Securities	11	2,12,525.33	2,05,584.49
(c)	Borrowings (other than Debt Securities)	12	68,325.57	80,344.53
(d)	Subordinated Liabilities	13	9,670.00	9,309.70
(e)	Other Financial Liabilities	14	5,427.78	5,327.84
	Total Financial Liabilities (1)		2,96,476.07	3,01,072.15
2	Non- Financial Liabilities			
(a)	Provisions	15	249.06	264.00
(b)	Other Non-Financial Liabilities	16	109.52	100.85
	Total Non- Financial Liabilities (2)		358.58	364.85
	Total Liabilities (1+2)		2,96,834.65	3,01,437.00
3	Equity			
(a)	Equity Share Capital	17	2,640.08	2,640.08
(b)	Other Equity	18	42,805.07	40,647.91
	Total Equity (3)		45,445.15	43,287.99
	Total Liabilities and Equity (1+2+3)		3,42,279.80	3,44,724.99

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




(RAJEEV SHARMA)
Chairman & Managing Director
DIN – 00973413

Place : New Delhi
Date : 14.11.2019

Standalone Statement of Profit and Loss for the Half Year ended September 30, 2019

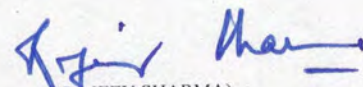
(₹ in crore)

Sr. No.	Particulars	Note No.	Half Year ended 30.09.2019	Half Year ended 30.09.2018
	Revenue from Operations			
(i)	Interest Income	19	15,521.70	13,550.04
(ii)	Dividend Income		1.24	23.01
(iii)	Fees and Commission Income	20	77.49	102.10
I.	Total Revenue from Operations		15,600.43	13,675.15
II.	Other Income	22	6.43	6.67
III.	Total Income (I+II)		15,606.86	13,681.82
	Expenses			
(i)	Finance Costs	23	10,805.62	9,211.76
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)		536.94	966.01
(iii)	Fees and Commission Expense	24	4.08	4.27
(iv)	Net Loss on Fair Value changes [Loss (+) / Gain (-)]	21	(207.38)	(729.66)
(v)	Impairment on Financial Instruments	25	611.87	(72.00)
(vi)	Employee Benefit Expenses	26	109.10	88.51
(vii)	Depreciation and Amortisation	8	3.74	2.55
(viii)	Corporate Social Responsibility Expenses		36.28	32.27
(ix)	Other Expenses	27	37.33	51.14
IV.	Total Expenses		11,937.58	9,554.85
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		3,669.28	4,126.97
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) Before Tax (V-VI)		3,669.28	4,126.97
	Tax Expense:			
(1)	Current Tax:			
	Current Year		669.27	795.60
	Earlier Years		-	-
(2)	Deferred Tax		459.99	580.38
VIII.	Total Tax Expense		1,129.26	1,375.98
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)		2,540.02	2,750.99
X.	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)		2,540.02	2,750.99
XII.	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		0.45	2.89
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(131.14)	(181.98)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(0.32)	0.88
	- Re-measurement of Defined Benefit Plans		-	-
	Sub-Total (A)		(131.01)	(178.21)
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(12.95)	(1.93)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss		(4.27)	-
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		-	-
	Sub-Total (B)		(17.22)	(1.93)
	Other Comprehensive Income (A+B)		(148.23)	(180.14)
XIII.	Total Comprehensive Income for the period (XI+XII)		2,391.79	2,570.85
XIV.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing operations):			
	(1) Basic EPS (₹)		9.62	10.42
	(2) Diluted EPS (₹)		9.62	10.42
XV.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for discontinued operations):			
	(1) Basic EPS (₹)		-	-
	(2) Diluted EPS (₹)		-	-
XVI.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):			
	(1) Basic EPS (₹)		9.62	10.42
	(2) Diluted EPS (₹)		9.62	10.42

* EPS for the Half Year(s) is not annualised.

Place : New Delhi
Date : 14.11.2019




(RAJEEV SHARMA)
Chairman & Managing Director
DIN - 00973413

A. Equity Share Capital

Particulars	Amount
Balance as at 01.04.2019	2,640.08
Changes during the period	-
Balance as at 30.09.2019	2,640.08
Balance as at 01.04.2018	2,640.08
Changes during the period	(0.00)
Balance as at 30.09.2018	2,640.08

B. Other Equity

Particulars	Reserves and surplus							Other Comprehensive		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	Debenture Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve		Retained Earnings	Equity Instruments through comprehensive Income	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge
Balance as at 31.03.2019	1,413.94	3,740.21	599.85	17,498.27	2,014.25	2,776.54	(769.72)	60.00	7,438.68	6,202.53	(276.49)	(50.15)	40,647.91
Profit for the period	-	-	-	-	-	-	-	-	-	2,540.02	-	-	2,540.02
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	0.13	-	-	0.13
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	(131.14)	(131.14)	(17.22)	(148.36)
Total Comprehensive Income for the period	508.00	163.85	-	729.61	72.24	-	-	-	-	2,540.15	(131.14)	(17.22)	2,891.79
Transfer to / from Retained Earnings	-	(810.95)	-	-	(2,086.49)	-	-	-	2,897.44	(1,473.70)	0	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	-	(254.12)	254.12	-	-
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	(234.63)	1.01	-	(1.01)	-	-	-
Additions / Deletion during the period (net)	1,921.94	3,093.11	599.85	18,227.88	-	2,776.54	(1,004.35)	61.01	10,336.12	7,013.85	(153.51)	(67.37)	42,805.07
Balance as at 30.09.2019													

(₹ in crore)													
Particulars	Reserves and surplus							Other Comprehensive			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 1996-97	Debenture Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings		Equity Instruments through Other comprehensive Income	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge
Balance as at 01.04.2018	23.36	3,386.79	599.85	15,920.36	1,726.82	2,776.54	(356.41)	57.90	6,438.68	3,848.43	(106.25)	-	34,316.07
Profit for the period	-	-	-	-	-	-	-	-	-	2,750.99	-	-	2,750.99
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	3.77	-	-	3.77
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	(181.98)	-	(1.93)	(183.91)
Total Comprehensive Income for the period	545.68	118.76	-	512.70	145.82	-	-	-	-	2,754.76	(181.98)	(1.93)	2,570.85
Transfer to / from Retained Earnings	-	-	-	-	(2.14)	-	-	-	-	(1,322.96)	-	-	(1,322.96)
Additions / Deletion during the period (net)	569.04	3,505.55	599.85	16,433.06	1,870.50	2,776.54	(1,115.69)	58.52	6,438.68	5,281.75	(288.23)	(1.93)	35,771.23
Balance as at 30.09.2018	-	-	-	-	-	-	-	-	-	-	-	-	-

Place : New Delhi
Date : 14.11.2019



[Signature]
JAYDEEV SHARMA
Chairman & Managing Director
DIN - 00973413

Power Finance Corporation Limited
CIN L65910DL1986GO1024862
Standalone Statement of Cash Flows for the Half Year ended September 30, 2019

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2019		Half Year ended 30.09.2018	
I.	Cash Flow from Operating Activities :-	3,669.28		4,126.97	
	Profit before Tax				
	Add / (Less): Adjustments for	0.28		0.19	
	Loss on derecognition of Property, Plant and Equipment (net)	3.74		2.55	
	Depreciation and Amortisation	212.37		44.96	
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	524.66		965.91	
	Unrealised Foreign Exchange Translation Loss / (Gain)	-		(729.66)	
	Net Change in Fair Value	4.54		1.19	
	Effective Interest Rate on Loans	611.87		(72.00)	
	Impairment on Financial Instruments	(106.49)		(73.97)	
	Interest on Investments	0.69		2.89	
	Interest on Interest Subsidy Fund	27.40		30.02	
	Provision for Retirement Benefits etc.	(1.24)		(23.01)	
	Dividend Income	(70.45)		(9.18)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(0.57)		-	
	Interest on Income Tax Refund	0.39		-	
	Interest expenses on Lease Liability	4,876.47		4,266.86	
	Operating profit before Working Capital Changes:				
	Increase / Decrease :	(12,306.74)		(14,245.10)	
	Loans (Net)	13,816.92		(1,550.04)	
	Other Financial and Non-Financial Assets	(292.45)		(151.13)	
	Derivative	1,570.40		553.64	
	Liabilities and provisions	7,664.60		(11,125.77)	
	Cash Flow before Exceptional Items	-		-	
	Exceptional Items	7,664.60		(11,125.77)	
	Cash Flow from Operations Before Tax	(987.33)		(891.98)	
	Income Tax paid	56.84		14.20	
	Income Tax Refund				
	Net Cash flow from Operating Activities		6,734.11		(12,003.55)
II.	Cash Flow From Investing Activities :	0.07		0.02	
	Proceeds from disposal of Property, Plant and Equipment	(5.31)		(1.95)	
	Purchase of Property, Plant and Equipment	108.13		28.92	
	Interest on investment	1.24		23.01	
	Dividend on investment	3.03		(99.08)	
	Increase / Decrease in Other Investments		107.16		(49.08)
	Net Cash Used in Investing Activities				
III.	Cash Flow From Financing Activities :	80.80		(12,919.68)	
	Raising of Bonds (including premium) (Net of Redemptions)	495.43		16,779.00	
	Raising of Long Term Loans (Net of Repayments)	11,738.29		5,911.21	
	Raising of Foreign Currency Loans (Net of Repayments)	0.00		(0.00)	
	Raising of Subordinated Liabilities (Net of Redemptions)	(7,000.00)		(630.00)	
	Raising of Commercial paper (Net of Repayments)	(12,452.68)		2,680.42	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(0.62)		(3.50)	
	Unclaimed Bonds (Net)	(0.01)		0.86	
	Unclaimed Dividend (Net)	(0.39)		-	
	Payment of Lease Liability		(7,139.18)		11,818.31
	Net Cash in-flow from Financing Activities				
	Net Increase / Decrease in Cash and Cash Equivalents		(297.91)		(234.32)
	Add : Cash and Cash Equivalents at beginning of the financial year		308.48		537.71
	Cash and Cash Equivalents at the end of the Half Year		10.57		303.39
	Details of Cash and Cash Equivalents at the end of the Half Year:				
	i) Balances with Banks (of the nature of cash and cash equivalents)	10.57		3.39	
	In current accounts		10.57	300.00	303.39
	In Term Deposit Accounts				
	ii) Cheques, Drafts on hand including postage and Imprest		10.57		303.39
	Total Cash and Cash Equivalents at the end of the Half Year				

Place : New Delhi
Date : 14.11.2019



Raseev Sharma
(RASEEV SHARMA)
Charman & Managing Director
DIN - 00973413

1 Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Balances with Banks (of the nature of cash and cash equivalents)	10.57	8.48
	- In Current Accounts	-	300.00
	- In Term Deposit Accounts	0.00	0.00
(ii)	Cheques, Drafts on hand including postage and Imprest	10.57	308.48
	Total Cash and Cash Equivalents		

2 Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Earmarked Balances with Banks	-	13,833.64
	- Term Deposits Accounts	3.15	3.16
	- Unpaid Dividend	9.46	9.73
	- Unpaid - Bonds / Interest on Bonds etc.	0.00	-
	- Amount received under IPDS / R-APDRP scheme	12.61	13,846.53
	Total Bank Balance other than included in Cash and Cash Equivalents		



3 Derivative Financial Instruments

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019			As at 31.03.2019		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	Currency Derivatives						
	- Spot and Forwards	19,983.21	634.43	195.65	15,290.12	295.95	335.46
	- Options	-	-	-	2,766.20	78.30	-
	Total Currency Derivatives	19,983.21	634.43	195.65	18,056.32	374.25	335.46
(ii)	Interest Rate Derivatives						
	- Forward Rate Agreements and Interest Rate Swaps	17,183.35	247.80	331.74	18,428.28	193.73	170.13
	Total Interest Rate Derivatives	17,183.35	247.80	331.74	18,428.28	193.73	170.13
	Total Derivative Financial Instruments (i+ii)	37,166.56	882.23	527.39	36,484.60	567.98	505.59

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	5,670.00	13.95	25.10	1,728.88	-	100.03
	- Interest Rate Derivatives	3,543.75	-	119.68	1,728.88	-	64.84
	Total Cash Flow Hedging (Designated)	9,213.75	13.95	144.78	3,457.76	-	164.87
(ii)	Undesignated Derivatives						
		27,952.81	868.28	382.61	33,026.84	567.98	340.72
	Total Derivative Financial Instruments (i+ii)	37,166.56	882.23	527.39	36,484.60	567.98	505.59



4 Loans

The Company has categorised all loans at amortised cost in accordance with the requirements of Ind AS 109.
(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(A)	Loans to Borrowers	3,13,695.82	2,99,463.59
(i)	- Rupee Term Loans (RTLs)	240.99	240.99
(ii)	- Foreign Currency Loans	1,682.08	1,759.67
(iii)	- Buyer's Line of Credit	9,170.61	12,582.27
(iv)	- Working Capital Loans	223.77	223.77
(v)	- Leasing	420.83	396.64
(vi)	- Receivable for invoked Default Payment Guarantee	4,877.26	4,630.80
(vii)	- Interest accrued but not due on Loans	766.19	182.08
(viii)	- Interest accrued & due on Loans	(98.57)	(88.41)
(ix)	- Unamortised Fee on Loans		
	Gross Loans to Borrowers	3,30,978.98	3,19,391.40
	Less: Impairment loss allowance	(16,094.72)	(16,181.04)
	Net Loans to Borrowers	3,14,884.26	3,03,210.36
(B)	Security-wise classification	2,08,189.96	2,01,490.39
(i)	Secured by Tangible Assets	-	-
(ii)	Secured by Intangible Assets	67,010.97	59,474.29
(iii)	Covered by Bank/Government Guarantees	55,778.05	58,426.72
(iv)	Unsecured		
	Gross Security-wise classification	3,30,978.98	3,19,391.40
	Less: Impairment loss allowance	(16,094.72)	(16,181.04)
	Net Security-wise classification	3,14,884.26	3,03,210.36
(C) I	Loans in India	2,74,009.14	2,65,465.58
(i)	Public Sector	56,969.84	53,925.82
(ii)	Private Sector		
	Gross Loans in India	3,30,978.98	3,19,391.40
	Less: Impairment loss allowance	(16,094.72)	(16,181.04)
	Net Loans in India	3,14,884.26	3,03,210.36
(C) II	Loans Outside India	-	-
	Less: Impairment loss allowance	-	-
	Net Loans Outside India	-	-
	Net Loans in India and Outside India	3,14,884.26	3,03,210.36



(₹ in crore)

5 Investments

Sr. No.	Particulars	No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value			Others*	Total
					Through Other Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	Investments								
(i)	Debt securities	8,000	10,00,000			853.64	853.64		853.64
	- Bonds of Andhra Bank								
(ii)	Equity instruments								
	Subsidiaries								
	- REC Ltd.	1,03,94,95,247	10					14,500.50	14,500.50
	- PFC Consulting Ltd.	52,246	10					0.15	0.15
	- Power Equity Capital Advisors Private Ltd.	50,000	10					0.05	0.05
	Joint Venture								
	- Energy Efficiency Services Limited	24,55,00,000	10					245.50	245.50
	Associates								
	- Ultra Mega Power Projects	7,50,000	10					0.75	0.75
	Others								
	- PTC India Limited.	1,20,00,000	10		67.56		67.56		67.56
	- Coal India Limited	1,39,64,530	10		279.08		279.08		279.08
	- NHPC Limited	24,32,60,606	10		542.47		542.47		542.47
	- Power Exchange India Limited	32,20,000	10		0.00		0.00		0.00
	- GMR Chhattisgarh Energy Limited	-	-		-		-		-
	- Shree Maheshwar Hydro Power Projects Limited	13,18,46,779	10		0.00		0.00		0.00
(iii)	Preference Shares								
	- Raipur Energen Limited	59,82,371	100	8.79					8.79
	- Ratnagiri Gas and Power Private Limited	52,22,70,000	10	0.00					0.00
(iv)	Others								
	- Units of "Small is Beautiful" Fund	61,52,200	10		6.13		6.13		6.13
	Total Investments			8.79	895.24	853.64	1,748.88	14,746.95	16,504.62
(B)	Geography wise investment								
(i)	Investments Outside India								
(ii)	Investments in India								
	Gross Geography wise investment								
	Less: Impairment loss allowance								
	Net Geography wise investment			8.79	895.24	853.64	1,748.88	14,746.90	16,504.57

*Measured at cost



(₹ in crore)

As at 31.03.2019

Sr. No.	Particulars	No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value			Others*	Total
					Through Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	Investments								
(i)	Debt securities	8,000	10,00,000			809.84	809.84		809.84
	- Bonds of Andhra Bank								
(ii)	Equity instruments								
	Subsidiaries	1,03,94,95,247	10					14,500.50	14,500.50
	- REC Ltd.	52,246	10					0.15	0.15
	- PFC Consulting Ltd.	50,000	10					0.05	0.05
	- Power Equity Capital Advisors Private Ltd.								
	Joint Venture	24,55,00,000	10					245.50	245.50
	- Energy Efficiency Services Limited								
	Associates	7,50,000	10					0.75	0.75
	- Ultra Mega Power Projects								
	Others				88.14		88.14		88.14
	- PTC India Limited.	1,20,00,000	10		331.24		331.24		331.24
	- Coal India Limited	1,39,64,530	10		603.85		603.85		603.85
	- NHPC Limited	24,44,73,240	10		0.00		0.00		0.00
	- GMR Chhattisgarh Energy Limited	27,50,00,000	10		0.00		0.00		0.00
	- Shree Maheshwar Hydro Power Projects Limited	13,18,46,779	10						
(iii)	Others	61,52,200	10		6.18		6.18		6.18
	- Units of "Small is Beautiful" Fund								
	Total				1,029.41	809.84	1,839.25	14,746.95	16,586.20
(B)	Geography wise investment								
(i)	Investments Outside India								
(ii)	Investments in India				1,029.41	809.84	1,839.25	14,746.95	16,586.20
	Gross Geography wise investment				1,029.41	809.84	1,839.25		
	Less: Impairment loss allowance								
	Net Geography wise investment				1,029.41	809.84	1,839.25	14,746.95	16,586.20

*Measured at cost



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 30.09.2019	As at 31.03.2019
(i)	Amount Recoverable on account of Bonds fully serviced by GOI	5,038.98	5,038.21
(ii)	Advances - to Subsidiaries and Associates*	204.09	196.22
(iii)	Advances - to Employees	0.51	0.77
(iv)	Loans to Employees	52.21	48.98
(v)	Interest Accrued but not due on Employee Loans	29.50	27.70
(vi)	Others	43.77	74.82
	Less: Impairment loss allowance on Others	(14.61)	(10.30)
	Total Other Financial Assets	5,354.45	5,376.40

*Recoverable in cash.



7 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Advance income tax and TDS (Net of Provisions)	743.89	433.33
(ii)	Provisions)	70.57	64.56
	Current Tax Assets (Net)	814.46	497.89



Property, Plant and Equipment (PPE) and Intangible Assets

(₹ in Crore)

	As at 30.09.2019	As at 31.03.2019
Net Carrying Amount	3.38	3.38
Freehold Land	12.81	13.13
Buildings	3.55	3.36
EDP Equipment	4.89	4.53
Office Equipment	4.63	3.32
Furniture and Fixtures	0.04	0.02
Vehicles	29.30	27.74
Total Property, Plant and Equipment	0.47	0.59
Intangible Assets		
Total Intangible Assets	0.47	0.59

	Property, Plant and Equipment					Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying Amount	3.38	24.92	17.07	16.32	9.27	0.20	71.16
Opening Balance as at 01.04.2018	-	-	2.24	3.64	2.04	-	7.92
Additions / Adjustments	-	-	2.96	2.36	0.16	0.10	5.58
Deductions / Adjustments	3.38	24.92	16.35	17.60	11.15	0.10	73.50
Closing Balance as at 31.03.2019	-	-	1.55	1.77	1.96	0.03	5.31
Additions / Adjustments	-	-	0.80	0.53	0.15	-	1.48
Deductions / Adjustments	3.38	24.92	17.10	18.84	12.96	0.13	77.33
Closing Balance as at 30.09.2019							9.47

	Property, Plant and Equipment					Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Accumulated Depreciation / Amortisation	-	11.12	13.93	12.65	7.22	0.16	45.08
Opening Balance as at 01.04.2018	-	0.67	1.90	2.59	0.70	0.01	5.87
For the period	-	-	2.84	2.17	0.09	0.09	5.19
On Assets Sold/Written off from books	-	11.79	12.99	13.07	7.83	0.08	45.76
Closing Balance as at 31.03.2019	-	0.32	1.24	1.28	0.54	0.01	3.39
For the period	-	-	0.68	0.40	0.04	-	1.12
On Assets Sold/Written off from books	-	12.11	13.55	13.95	8.33	0.09	48.03
Closing Balance as at 30.09.2019							9.00

	Property, Plant and Equipment					Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying Amount	3.38	24.92	17.07	16.32	9.27	0.20	71.16
Opening Balance as at 01.04.2018	-	-	0.20	1.15	0.58	-	1.93
Additions / Adjustments	-	-	2.73	0.92	0.08	-	3.73
Deductions / Adjustments	3.38	24.92	14.54	16.55	9.77	0.20	69.36
Closing Balance as at 30.09.2018							9.47

	Property, Plant and Equipment					Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Accumulated Depreciation / Amortisation	-	11.12	13.93	12.65	7.22	0.16	45.08
Opening Balance as at 01.04.2018	-	0.34	1.24	0.95	0.25	0.01	2.40
For the period 01.04.2018 to 30.09.2018	-	-	2.65	0.82	0.05	-	3.52
On Assets Sold/Written off from books	-	11.46	12.13	12.78	7.42	0.17	43.96
Closing Balance as at 30.09.2018							8.72



9 Right-of-use Assets

(₹ in crore)

Particulars	As at 30.09.2019	As at 31.03.2019
Opening Balance of Leasehold Land	-	-
Additions ^S	36.20	-
Less: Depreciation during the Period*	0.22	-
Closing Balance of Leasehold Land	35.98	-

^SInd AS 116, applicable from 01.04.2019, requires recognition of Right of Use Assets on long term non-cancellable lease contracts.

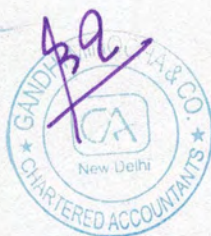
*Depreciation expense on ROU assets is included under Depreciation and Amortization expenses in the Standalone Statement of Profit and Loss.



10 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Prepaid Expenses	5.29	29.31
(ii)	Deferred Employee Costs	43.63	40.67
(iii)	Others	105.83	172.11
	Total Other Non-Financial Assets	154.75	242.09



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 30.09.2019	As at 31.03.2019
(i)	Bonds / Debenture		
	- Infrastructure Bonds	278.63	278.63
	- Tax Free Bonds	12,275.11	12,275.11
	- 54EC Capital Gain Tax Exemption Bonds	1,312.51	784.10
	- Taxable Bonds	1,67,349.65	1,67,774.95
	- Foreign Currency Notes	20,908.13	8,298.60
(ii)	Commercial Paper	2,905.98	9,715.92
(iii)	Interest accrued but not due on above	7,697.10	6,588.16
(iv)	Unamortised Transaction Cost on above	(201.78)	(130.98)
	Total Debt Securities	2,12,525.33	2,05,584.49
	Geography wise Debt Securities		
(i)	Debt Securities in India	1,91,531.70	1,97,222.82
(ii)	Debt Securities outside India	20,993.63	8,361.67
	Total Geography wise Debt Securities	2,12,525.33	2,05,584.49



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 30.09.2019	As at 31.03.2019
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans	1,943.83	4,676.17
	- Syndicated Foreign Currency Loans	18,472.48	15,852.09
	- Rupee Term Loan	39,198.98	38,703.55
(ii)	From other Parties		
	- Rupee Term Loan - GoI	7,500.00	7,500.00
(B)	Other Loans from Banks		
(i)	Loan against Term Deposits	-	12,737.18
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	904.50	620.00
(C)	Interest accrued but not due on above	452.91	402.77
(D)	Unamortised Transaction Cost on above	(147.13)	(147.23)
	Total Borrowings (other than Debt Securities)	68,325.57	80,344.53
	Geography wise Borrowings		
(i)	Borrowings in India	47,977.66	59,899.50
(ii)	Borrowings outside India	20,347.91	20,445.03
	Total Geography wise Borrowings	68,325.57	80,344.53



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 30.09.2019	As at 31.03.2019
(A)	Subordinated Liabilities		
(i)	Subordinated Bonds	9,211.50	9,211.50
(ii)	Interest accrued but not due on above	462.35	102.30
(iii)	Unamortised Transaction Cost on above	(3.85)	(4.10)
	Total Subordinated Liabilities	9,670.00	9,309.70
(B)	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	9,670.00	9,309.70
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	9,670.00	9,309.70



14 Other Financial Liabilities

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Payable for Government of India Serviced Bonds	5,038.98	5,038.21
(ii)	Advance received from Subsidiaries and Associates*	247.17	189.11
(iii)	Unpaid Dividends		
	- Unclaimed Dividends	3.15	3.16
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	0.53	1.15
	- Unclaimed Interest on Bonds	11.99	13.95
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.78	0.77
	- Interest Subsidy Fund	16.65	15.96
	- Payable under APDRP/IPDS scheme	1.20	-
	- Lease Liability	8.81	-
	- Other liabilities	98.52	65.53
	Total Other Financial Liabilities	5,427.78	5,327.84

*Payable in cash



15 Provisions

(₹ in crore)

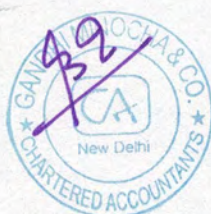
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	For Employee Benefits:		
	- Gratuity	0.58	0.75
	- Leave Encashment	30.47	27.31
	- Economic Rehabilitation of Employees	1.71	1.69
	- Provision for Bonus / Incentive	25.60	33.74
	- Provision for Staff Welfare Expenses	10.36	13.80
(ii)	Impairment Loss Allowance - Letter of Comfort	180.34	186.71
	Total Provisions	249.06	264.00



16 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Unamortised Fee - Undisbursed Loan Assets	100.97	96.36
(ii)	Statutory dues payable	8.55	4.49
	Total Other Non-Financial Liabilities	109.52	100.85



17 Equity Share Capital

Sr. No.	Particulars	As at 30.09.2019		As at 31.03.2019	
		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 outstanding	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the year	-	-	-	-
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08



Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
		-	2,014.25
(i)	Debenture Redemption Reserve	2,776.54	2,776.54
(ii)	Securities Premium	(1,004.35)	(769.72)
(iii)	Foreign Currency Monetary Item Translation Difference Account	1,921.94	1,413.94
(iv)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	3,093.11	3,740.21
(v)	Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act, 1961	599.85	599.85
(vi)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	18,227.88	17,498.27
(vii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	61.01	60.00
(viii)	Interest Differential Reserve - KFW Loan	10,336.12	7,438.68
(ix)	General Reserve	7,013.85	6,202.53
(x)	Retained Earnings	(153.51)	(276.49)
(xi)	Reserve for Equity Instruments through Other Comprehensive Income	(67.37)	(50.15)
(xii)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through Other Comprehensive Income		
	Total Other Equity*	42,805.07	40,647.91

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



19 Interest Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019		Half Year ended 30.09.2018	
		On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
(i)	Interest on Loans	15,594.03	-	13,693.52	-
	Less : Rebate for Timely Payment to Borrowers	(196.71)	-	(233.10)	-
(ii)	Interest on Investment in Bonds	-	43.80	-	43.92
(iii)	Interest on Deposits with Banks	62.69	-	30.05	-
(iv)	Other Interest Income	17.89	-	15.65	-
	Total Interest Income	15,477.90	43.80	13,506.12	43.92



20 Fees and Commission Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Prepayment Premium on Loans	45.78	89.83
(ii)	Fee based Income on Loans	31.71	4.26
(iii)	Fee for implementation of Gov Schemes	-	8.01
	Total Fees and Commission Income	77.49	102.10

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

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	On financial instruments designated at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	(207.38)	(729.66)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	(207.38)	(729.66)
	Fair value changes:		
(i)	- Realised	51.05	157.61
(ii)	- Unrealised	(258.43)	(887.27)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	(207.38)	(729.66)

22 Other Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Miscellaneous Income	6.43	6.67
	Total Other Income	6.43	6.67



Sr. No.	Particulars	Half Year ended 30.09.2019		Half Year ended 30.09.2018	
		On financial liabilities measured at amortised cost	On Financial Liabilities classified at fair value through profit or loss	On financial liabilities measured at amortised cost	On Financial Liabilities classified at fair value through profit or loss
(i)	Interest on Borrowings				
	- Term Loans and Others	2,190.46	-	809.89	-
(ii)	Interest on Debt Securities				
	- Bonds / Debentures	7,781.17	-	7,992.58	-
	- Commercial Papers	338.52	-	223.55	-
(iii)	Interest on Subordinated Liabilities	425.82	-	178.56	-
(iv)	Other Interest Expense				
	- Interest on Interest Subsidy Fund	0.69	-	2.89	-
	- Interest on Application Money - Bonds	-	-	0.02	-
	- Interest on advances received from Subsidiaries	2.86	-	3.09	-
	- Swap Premium (Net)	-	65.71	-	1.18
	- Interest on Lease Liability	0.39	-	-	-
	Total Finance Costs	10,739.91	65.71	9,210.58	1.18



24 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Agency Fees	0.47	0.35
(ii)	Guarantee, Listing and Trusteeship fees	0.80	1.14
(iii)	Credit Rating Fees	2.62	2.65
(iv)	Other Finance Charges	0.19	0.13
	Total Fees and Commission Expense	4.08	4.27

25 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
		On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Amortised Cost
(i)	Loans	(86.33)	(74.60)
(ii)	Write Offs	700.21	-
(iii)	Other Financial Instruments	4.36	5.15
(iv)	Letter of Comfort	(6.37)	(2.55)
	Total Impairment on Financial Instruments	611.87	(72.00)

26 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Salaries and Wages	70.68	64.53
(ii)	Contribution to Provident and other Funds	9.80	11.35
(iii)	Staff Welfare Expenses	26.24	10.31
(iv)	Rent for Residential Accommodation of Employees	2.38	2.32
	Total Employee Benefit Expenses	109.10	88.51

27 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Rent, Taxes and Energy Cost	7.55	12.48
(ii)	Repairs and Maintenance	2.32	2.06
(iii)	Communication Costs	0.17	0.18
(iv)	Printing and Stationery	0.42	1.22
(v)	Advertisement and Publicity	4.58	5.90
(vi)	Directors Fees, Allowance and Expenses	0.09	0.05
(vii)	Auditor's fees and expenses	0.17	0.14
(viii)	Legal & Professional charges	3.12	4.01
(ix)	Insurance	0.05	0.05
(x)	Travelling and Conveyance	7.11	5.93
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	0.28	0.19
(xii)	Other Expenditure	19.47	18.93
	Total Other Expenses	67.33	51.14



SIGNIFICANT ACCOUNTING POLICIES

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

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.

2. Cash and Cash Equivalents

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

3. Derivative financial instruments

3.1. 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.

3.2. 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.

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

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 is recognised in Statement of Profit and Loss.

4.1. Financial assets

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

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

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

a) Financial assets at Amortised Cost:

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

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



Effective Interest Rate (EIR) method

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

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

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

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

(ii) Classification and measurement of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the same within equity.

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



(iii) Impairment of financial assets

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments"

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Company measures impairment on commitments under LoC on similar basis as in case of Loan assets.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

(iv) De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

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.

5. Investment in Subsidiaries, Joint Ventures and Associates

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

6. Property, Plant and Equipment (PPE) and Depreciation

- 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.
- 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.
- 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.
- 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.
- 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 derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- (viii) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

7. Intangible assets and Amortisation

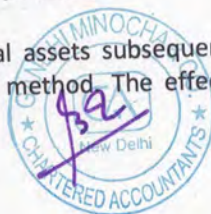
- (i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated 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.

8. Provisions and Contingent Liabilities

- (i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

9. Recognition of Income and Expenditure

- (i) Interest income, on financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate (EIR) is the rate that exactly discounts



estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

- (ii) Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.
- (iii) Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.
- (iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.
- (v) Dividend income from investments is recognized in Statement of Profit and Loss when the Company's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- (vi) Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- (vii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- (viii) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

10. Expenditure on issue of shares

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

11. Employee benefits

(i) Defined Contribution Plan

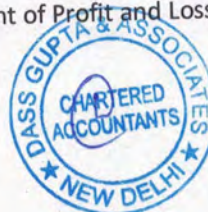
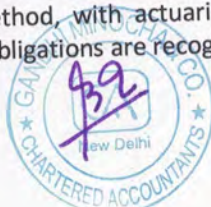
Company's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(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.

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.



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 the inception of the 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 includes 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 assets (RoU) are initially recognized at cost, which comprises 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 asset (RoU) if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been 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 have been 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.



14. Foreign Currency Transactions and Translations

The functional currency of the Company is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before 1 April 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item.

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.

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.

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.



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.



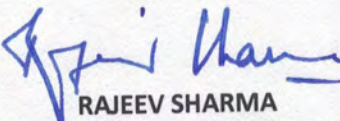
Summarised Notes to Unaudited Standalone Interim Financial Statements:

Summarised Notes to Unaudited Standalone Interim Financial Statements:

1	These Unaudited Standalone Interim Financial Statements (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 14.11.2019. The same have been subjected to 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 loan assets and impairment loss allowance thereon maintained by the Company as per Ind AS 109 is as under.			
				(₹ in crore)
	S. No.	Particulars	As on 30.09.2019	As on 31.03.2019
	a)	Credit Impaired loan assets	29,465.75	29,540.31
	b)	Impairment Loss Allowance Maintained	15,368.64	15,021.01
	c)	Impairment Loss Allowance Coverage (%) (b/a)	52.16%	50.85%
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 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 ₹ 36.20 crore and 'Lease Liability' ₹ 8.82 crore. The impact on profit for the half year ended 30.09.2019 is not material.			
6	The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Provision for Income Tax (current tax) for the half year ended 30.09.2019 has been recognised on annualised basis. Also, Deferred Tax Assets/ Liability has been remeasured on the basis of the rate prescribed under Section 115BAA by revising the annual effective income tax rate and recognising the effect of change over the financial year.			
7	For all secured bonds issued by the Company and outstanding as at 30.09.2019, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.			
8	Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 as amended:			
	Particulars			As on 30.09.2019
	(i) Debt Equity Ratio			6.21
	(ii) Outstanding Redeemable Preference Shares			Nil
	(iii) Net Worth (₹ in crore)			45,445.15
	iv) The Company is not required to create Debenture Redemption Reserve (DRR) in terms of Companies (Share Capital and Debentures) Rules, 2014 read with Companies (Share Capital and Debentures) Amendments Rules, 2019. Pursuant to such amendment, entire balance of DRR of ₹ 2,086.49 crore existing in the books of accounts of the Company as at 30.06.2019 has been transferred to General Reserve during the quarter ended 30.09.2019.			
	v) Ratings for the Company's long term domestic borrowing programme (including bank loans) continue to be the highest rating of CRISIL AAA, ICRA AAA and CARE AAA as assigned by domestic rating agencies CRISIL, ICRA and CARE respectively. The Company's short term domestic borrowing programme (including bank loans) continues to have the highest rating of CRISIL A1+, ICRA A1+ and CARE A1+ assigned by CRISIL, ICRA and CARE respectively. The Company's international credit ratings continue to be Baa3, BBB- and BBB- assigned by International Credit Rating Agencies Moody's, Fitch and Standard and Poor's respectively.			
	vi) The Company has been raising funds through various instruments including series of non-convertible bond issues.			

	During the half year ended 30.09.2019, the Company has not defaulted in servicing of its borrowings. As regards non-convertible Rupee denominated bonds, the previous due date for payment of principal and interest was 17.09.2019 and 30.09.2019 respectively.
9	During the half year ended 30.09.2019, Government of India (GoI) has transferred 7,63,13,829 equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of CPSE ETF. Accordingly, shareholding of GoI in the paid-up equity capital of the Company has come down from 59.05% as on 30.06.2019 to 56.16% as on 30.09.2019.
10	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.
11	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 figures for the comparative period have been adjusted to give effect of this amalgamation.
12	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 14.11.2019


RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413



Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Balance Sheet as at September 30, 2019

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 30.09.2019	As at 31.03.2019
	ASSETS			
1	Financial Assets			
(a)	Cash and Cash Equivalents	1	3,432.62	725.03
(b)	Bank Balance other than included in Cash and Cash Equivalents	2	870.52	15,606.41
(c)	Derivative Financial Instruments	3	3,096.61	2,370.56
(d)	Trade Receivables	4	158.00	172.13
(e)	Loans	5	6,04,869.99	5,73,661.28
(f)	Investments	6	4,517.27	4,603.77
(g)	Other Financial Assets	7	23,691.02	23,761.47
	Total Financial Assets (1)		6,40,636.03	6,20,900.65
2	Non- Financial Assets			
(a)	Current Tax Assets (Net)	8	1,125.07	795.20
(b)	Deferred Tax Assets (Net)		5,605.81	6,369.74
(c)	Investment Property	9	0.01	0.01
(d)	Property, Plant and Equipment	10	186.32	186.45
(e)	Capital Work-in-Progress	10	249.46	196.94
(f)	Intangible Assets under development	10	1.59	1.59
(g)	Other Intangible Assets	10	10.20	9.18
(h)	Right of Use Assets	11	42.88	-
(i)	Other Non-Financial Assets	12	284.75	393.50
	Total Non- Financial Assets (2)		7,506.09	7,952.61
3	Assets Classified as held for sale	13	13.10	9.56
	Total Assets (1+2+3)		6,48,155.22	6,28,862.82
	LIABILITIES AND EQUITY			
1	Financial Liabilities			
(a)	Derivative Financial Instruments	3	1,118.12	664.99
(b)	Trade Payables	14	-	2.65
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		-	2.65
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		58.70	72.26
(c)	Debt Securities	15	4,18,682.48	3,98,352.00
(d)	Borrowings (other than Debt Securities)	16	1,20,682.34	1,27,007.07
(e)	Subordinated Liabilities	17	14,485.24	14,128.46
(f)	Other Financial Liabilities	18	24,376.28	24,574.28
	Total Financial Liabilities (1)		5,79,403.16	5,64,801.71
2	Non- Financial Liabilities			
(a)	Provisions	19	331.96	366.81
(b)	Other Non-Financial Liabilities	20	216.15	209.95
	Total Non- Financial Liabilities (2)		548.11	576.76
3	Liabilities directly associated with assets classified as held for sale	13	-	0.08
	Total Liabilities (1+2+3)		5,79,951.27	5,65,378.55
4	Equity			
(a)	Equity Share Capital	21	2,640.08	2,640.08
(b)	Other Equity	22	47,989.30	44,481.17
	Equity attributable to owners of the Company (a+b)		50,629.38	47,121.25
(c)	Non-Controlling interest	23	17,574.57	16,363.02
	Total Equity (4)		68,203.95	63,484.27
	Total Liabilities and Equity (1+2+3+4)		6,48,155.22	6,28,862.82

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



Place : New Delhi
Date : 14.11.2019


(RAJEEV SHARMA)
Chairman & Managing Director
DIN - 00973413

Power Finance Corporation Limited
CIN L65910DL1986GOI024862

Consolidated Statement of Profit and Loss for the Half Year ended September 30, 2019

		(₹ in crore)		
Sr. No.	Particulars	Note No.	Half Year ended 30.09.2019	Half Year ended 30.09.2018
	Revenue from Operations			
(i)	Interest Income	24	29,907.40	25,360.77
(ii)	Dividend Income		16.50	24.25
(iii)	Fees and Commission Income	25	94.41	230.86
(iv)	Other Operating Income	27	107.77	81.17
I.	Total Revenue from Operations		30,126.08	25,697.05
II.	Other Income	28	16.59	20.91
III.	Total Income (I+II)		30,142.67	25,717.96
	Expenses			
(i)	Finance Costs	29	20,090.50	16,609.36
(ii)	Net Translation / Transaction Exchange Loss (+) / Gain (-)		1,209.07	2,081.24
(iii)	Fees and Commission Expense	30	14.92	18.59
(iv)	Net Loss on Fair Value changes [Loss (+) / Gain (-)]	26	(192.35)	(2,355.86)
(v)	Impairment on Financial Instruments	31	893.19	123.51
(vi)	Cost of services rendered		31.42	30.54
(vii)	Employee Benefit Expenses	32	217.65	174.20
(viii)	Depreciation and Amortisation	10	10.71	6.82
(ix)	Corporate Social Responsibility Expenses		87.94	92.14
(x)	Other Expenses	33	108.48	188.26
IV.	Total Expenses		22,471.53	16,968.79
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		7,671.14	8,749.17
VI.	Exceptional Items		-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates		11.42	(7.48)
VIII.	Profit/(Loss) Before Tax (V-VI+VII)		7,682.56	8,741.69
	Tax Expense:			
	(1) Current Tax			
	Current Year		1,502.05	1,459.17
	Earlier Years		10.30	0.00
	(2) Deferred Tax		773.38	1,909.67
IX.	Total Tax Expense		2,285.73	3,368.84
X.	Profit/(Loss) for the year from Continuing Operations (VIII-IX)		5,396.83	5,372.85
XI.	Profit/(Loss) From Discontinued Operations (After Tax)		-	-
XII.	Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)		5,396.83	5,372.85
XIII.	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		8.41	10.35
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(227.58)	(276.06)
	- Share of other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method		(0.32)	0.19
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(2.32)	0.88
	- Net Gain / (Loss) on Fair Value of Equity Instruments		12.39	(1.82)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		0.07	0.04
	Sub-Total (A)		(209.35)	(266.42)



(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow		(12.95)	(1.93)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		(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		(4.27)	-
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		0.80	-
	Sub-Total (B)		(20.36)	(1.93)
	Other Comprehensive Income (A+B)		(229.71)	(268.35)
XIV.	Total Comprehensive Income for the Half Year (XII+XIII)		5,167.12	5,104.50
	Profit for the half year attributable to:			
	- Owners of the Company		4,055.70	3,854.93
	- Non-Controlling Interest		1,341.13	1,517.92
			5,396.83	5,372.85
	Other Comprehensive Income for the Half Year			
	- Owners of the Company		(191.18)	(226.48)
	- Non-Controlling Interest		(38.53)	(41.87)
			(229.71)	(268.35)
	Total other comprehensive income for the Half Year			
	- Owners of the Company		3,864.52	3,628.45
	- Non-Controlling Interest		1,302.60	1,476.05
			5,167.12	5,104.50
XV.	Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations):			
	(1) Basic EPS (₹)		15.36	14.60
	(2) Diluted EPS (₹)		15.36	14.60

* EPS for the Half Year(s) is not annualised.

Place : New Delhi

Date : 14.11.2019



(Signature)
(RAJEEV SHARMA)

Chairman & Managing Director

DIN - 00973413

Consolidated Statement of Changes in Equity for the Half Year ended September 30, 2019

A. Equity Share Capital

Particulars	Amount
Balance at the 01.04.2019	2,640.08
Changes during the period	-
Balance at the 30.09.2019	2,640.08
Balance at the 01.04.2018	2,640.08
Changes during the period	(0.00)
Balance at the 30.09.2018	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 u/s 45-1C(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	Debt Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings	Equity Instruments through Other comprehensive Income	Effective portion of Gain / (Loss) on Hedging Instruments in Cash Flow Hedges	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method			
Balance as at 01.04.2019	(13,461.00)	-	2,020.82	5,337.53	599.85	25,465.49	2,708.07	3,953.74	(1,172.29)	60.00	10,191.77	9,029.56	(204.45)	(50.14)	2.22	44,481.17	16,363.02	60,844.18
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	4,055.70	-	-	-	4,055.70	1,341.13	5,396.83
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	3.27	-	-	-	3.27	2.82	6.09
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	(0.20)	(175.38)	(17.22)	(1.65)	(194.45)	(41.35)	(235.80)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	(20.57)	-	-	-	(20.57)	-	(20.57)
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-	-	-	-	4,038.20	(175.38)	(17.22)	(1.65)	3,843.95	1,302.60	5,146.55
Transfer to / from Retained Earnings	-	-	803.81	254.32	-	1,156.35	98.11	-	-	-	-	(2,312.58)	-	-	-	(0.00)	-	-
Transfer to / from General Reserve	-	-	-	(870.25)	-	-	(2,806.18)	-	-	-	3,676.43	-	-	-	-	(337.79)	-	(430.62)
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	(337.79)	1.01	-	(1.01)	-	-	-	1.97	1.78	3.75
Gain on increase in share in EESL	1.97	-	-	-	-	-	-	-	-	-	-	(299.49)	299.49	-	-	-	-	-
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2019	(13,461.00)	1.97	2,824.63	4,721.60	599.85	26,621.84	0.00	3,953.74	(1,510.08)	61.01	13,868.20	10,454.68	(80.34)	(67.36)	0.57	47,989.30	17,574.57	65,563.87



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 u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(vii)(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	Debt Redemption Reserve	Securities Premium	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings	Equity Instruments through Other comprehensive Income	Effective portion of Gain / (Loss) on Hedging Instruments in Cash Flow Hedges				Share of other Comprehensive Income of Joint Venture and associates accounted using equity method
Balance as at 01.04.2018	(13,461.00)	-	23.36	4,840.09	599.85	23,190.91	2,317.16	3,953.74	(401.83)	57.90	9,191.77	6,887.10	(6.82)	-	2.22	37,194.45	15,435.22	52,629.67
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,854.93	-	-	-	3,854.93	1,517.92	5,372.85
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	7.70	-	-	-	7.70	3.53	11.23
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	0.21	(232.46)	(1.93)	-	(234.18)	(45.40)	(279.58)
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-	-	-	-	3,862.84	(232.46)	(1.93)	-	3,628.45	1,476.05	5,104.50
Dividends	-	-	-	-	-	-	-	-	-	-	-	(195.19)	-	-	-	(195.19)	(163.70)	(358.89)
Dividends Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	(38.66)	-	-	-	(38.66)	(33.56)	(72.22)
Transfer to / from retained earnings	-	-	886.23	170.83	-	762.40	197.55	-	-	-	-	(2,017.01)	-	-	-	-	-	-
Additions / Deletion during the period (net)	-	-	-	-	-	-	(2.14)	-	(2,303.56)	0.62	-	1.52	-	-	-	(2,303.56)	(1,068.95)	(3,372.51)
Balance as at 30.09.2018	(13,461.00)	-	909.59	5,010.92	599.85	23,953.31	2,512.57	3,953.74	(2,705.39)	58.52	9,191.77	8,500.60	(239.28)	(1.93)	2.22	38,285.49	15,645.07	53,930.55

Rajeev Sharma
RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413



Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Consolidated Statement of Cash Flows for the Half Year ended September 30, 2019

		(₹ in Crore)	
Sr. No.	Description	Half Year ended 30.09.2019	Half Year ended 30.09.2018
I.	Cash Flow from Operating Activities :-		
	Profit before Tax	7,682.56	8,741.69
	Add / (Less): Adjustments for		
	Loss on derecognition of Property, Plant and Equipment (net)	0.90	0.52
	Depreciation and Amortisation	10.71	6.82
	Amortization of discount on Zero Coupon Bonds and Financial Charges on Commercial Papers	578.92	215.87
	Unrealised Foreign Exchange Translation Loss / (Gain)	1,022.05	1,659.87
	Net Change in Fair Value	17.69	(2,353.84)
	Effective Interest Rate on Loans	39.17	(13.33)
	Impairment on Financial Instruments	893.19	123.51
	Interest on Investments and Others	(200.46)	(193.94)
	Interest on Interest Subsidy Fund	0.69	2.89
	Excess Liabilities written back	(0.60)	-
	Provision for Retirement Benefits etc.	27.40	30.02
	Dividend Income	(16.50)	(24.25)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(78.09)	(16.09)
	Interest on Income Tax Refund	(0.57)	-
	Interest expenses on Lease Liability	0.39	-
	Share of Profit/Loss of Joint Venture accounted for using equity method	(11.42)	7.48
	Operating profit before Working Capital Changes:	9,966.03	8,187.22
	Increase / Decrease :		
	Loans (Net)	(31,925.17)	(31,764.03)
	Other Financial and Non-Financial Assets	14,666.65	(7,542.36)
	Derivative	(358.31)	(861.11)
	Liabilities and provisions	2,105.97	7,587.02
	Cash Flow before Exceptional Items	(5,544.83)	(24,393.26)
	Exceptional Items	-	-
	Cash Flow from Operations Before Tax	(5,544.83)	(24,393.26)
	Income Tax paid	(1,858.42)	(1,710.53)
	Income Tax Refund	69.71	14.20
	Net Cash flow from Operating Activities	(7,333.54)	(26,089.58)
II.	Cash Flow From Investing Activities :		
	Proceeds from disposal of Property, Plant and Equipment	0.91	0.11
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(72.61)	(50.05)
	Interest on investment	154.19	49.35
	Dividend on investment	16.50	24.25
	Increase / Decrease in Other Investments	(111.02)	100.81
	Net Cash Used in Investing Activities	(12.03)	124.47
III.	Cash Flow From Financing Activities :		
	Raising of Bonds (including premium) (Net of Redemptions)	9,806.17	(12,403.98)
	Raising of Long Term Loans (Net of Repayments)	3,095.04	22,912.00
	Raising of Foreign Currency Loans (Net of Repayments)	18,922.03	8,331.40
	Raising of Commercial paper (Net of Repayments)	(9,315.96)	3,996.20
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(12,452.69)	2,680.42
	Unclaimed Bonds (Net)	(0.62)	(3.50)
	Unclaimed Dividend (Net)	(0.01)	0.86
	Payment of Lease Liability	(0.80)	-
	Payment of Interim Dividend	-	11.06
	Payment of Corporate Dividend Tax	-	(10.87)
	Net Cash in-flow from Financing Activities	10,053.16	25,513.59
	Net Increase / Decrease in Cash and Cash Equivalents	2707.59	(451.53)
	Add : Cash and Cash Equivalents at beginning of the financial year	725.03	825.04
	Cash and Cash Equivalents at the end of the Half Year	3432.62	373.51
	Details of Cash and Cash Equivalents at the end of the Half Year:		
	i) Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts	1,018.27	55.64
	In Term Deposit Accounts	1,866.29	317.82
	ii) Cheques, Drafts on hand including postage and Imprest	0.06	0.05
	iii) Investment in Debt Mutual Fund	548.00	0.00
	Total Cash and Cash Equivalents at the end of the Half Year	3432.62	373.51



Place : New Delhi
Date : 14.11.2019


(RAJEEV SHARMA)
Chairman & Managing Director
DIN - 00973413

1 Cash and Cash Equivalents

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	1,018.27	369.41
	- In Term Deposit Accounts	1,866.29	355.61
(ii)	Cash, Cheques, Drafts on hand including postage & Imprest	0.06	0.01
(iii)	Investment in Debt Mutual Funds	548.00	-
	Total Cash and Cash Equivalents	3,432.62	725.03

2 Bank Balance other than included in Cash and Cash Equivalents

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
(i)	Earmarked Balances and Term Deposits with Banks		
	- Term Deposits	-	13,833.64
	- Unpaid Dividend	8.24	7.31
	- Unpaid - Bonds / Interest on Bonds etc.	9.46	9.73
	- Govt. funds for further Disbursement	797.18	990.46
(ii)	Deposit in compliance of Court	2.53	2.47
(iii)	Balance with Bank not available for use pending allotment of securities	12.21	722.04
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	39.65	26.80
(v)	Other Term Deposits	1.25	13.96
	Total Bank Balance other than included in Cash and Cash Equivalents	870.52	15,606.41



3 Derivative Financial Instruments

Part - I

Sr. No.	Particulars	As at 30.09.2019			As at 31.03.2019			Fair value Liabilities	Fair value Assets	Fair value Liabilities
		Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities			
(i)	Currency Derivatives: - Spot and Forwards - Currency Swaps - Options	20,517.27 7,049.67 21,357.76	634.43 238.61 1,811.01	197.29 342.04 2.53	15,808.90 5,701.69 20,912.19	295.95 419.05 1,301.36			345.72 0.41 18.57	
	Total Currency Derivatives:	48,924.69	2,684.05	541.86	42,422.78	2,016.36			364.70	
(ii)	Interest Rate Derivatives - Forward Rate Agreements and Interest Rate Swaps									
	Total Interest Rate Derivatives	44,410.07	412.56	576.26	39,864.98	354.20			300.29	
									300.29	
	Total Derivative Financial Instruments [(i) + (ii)]	93,334.77	3,096.61	1,118.12	82,287.76	2,370.56			664.99	
Part - II										
(i)	Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows: Cash Flow Hedging (Designated): - Currency Derivatives - Interest Rate Derivatives	5,670.00 3,543.75	13.95 -	25.10 119.68	1,728.88 1,728.88	- -			100.03 64.84	
	Total Cash Flow Hedging (Designated)	9,213.75	13.95	144.78	3,457.76	-			164.87	
(ii)	Undesignated Derivatives	84,121.02	3,082.66	973.34	78,830.00	2,370.56			500.12	
	Total Derivative Financial Instruments [(i) + (ii)]	93,334.77	3,096.61	1,118.12	82,287.76	2,370.56			664.99	



4 Trade Receivables

(₹ in crore)			
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Trade Receivables		
	- considered good - Unsecured (Gross)	204.63	182.96
	Less: Impairment loss allowance	(46.63)	(12.51)
	- which have Significant Increase in Credit Risk (Gross)	-	3.37
	Less: Impairment loss allowance	-	(1.69)
	- Credit Impaired (Gross)	8.50	28.16
	Less: Impairment loss allowance on Credit Impaired	(8.50)	(28.16)
	Total Trade Receivables	158.00	172.13



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.

(₹ in crore)			
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(A)	Loans to Borrowers		
(i)	- Rupee Term Loans (RTLs)	6,12,524.50	5,78,485.27
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	1,682.08	1,759.67
(iv)	- Working Capital Loans	11,058.36	14,770.27
(v)	- Leasing	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	420.83	396.64
(vii)	- Interest accrued but not due on Loans	5,224.58	4,971.81
(viii)	- Interest accrued & due on Loans	1,396.65	627.13
(ix)	- Unamortised Fee on Loans	(150.74)	(135.30)
	Gross Loans to Borrowers	6,32,621.02	6,01,340.25
	Less: Impairment loss allowance	(27,751.03)	(27,678.97)
	Net Loans to Borrowers	6,04,869.99	5,73,661.28
(B)	Security-wise classification		
(i)	Secured by Tangible Assets	4,39,186.18	4,08,335.85
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,18,581.33	1,12,226.15
(iv)	Unsecured	74,853.51	80,778.25
	Gross Security-wise classification	6,32,621.02	6,01,340.25
	Less: Impairment loss allowance	(27,751.03)	(27,678.97)
	Net Security-wise classification	6,04,869.99	5,73,661.28
(C) I	Loans in India		
(i)	Public Sector	5,39,485.65	5,13,929.13
(ii)	Private Sector	93,135.37	87,411.12
	Gross Loans in India	6,32,621.02	6,01,340.25
	Less: Impairment loss allowance	(27,751.03)	(27,678.97)
	Net Loans in India	6,04,869.99	5,73,661.28
(C) II	Loans Outside India		
	Less: Impairment loss allowance	-	-
	Net Loans Outside India	-	-
	Net Loans in India and Outside India	6,04,869.99	5,73,661.28



Sr. No.	Particulars	As at 30.09.2019							(₹ in crore)
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value			Others*	Total
					Through Other Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	Investments								
	Government Securities								
	- Govt. of MP Power Bonds - II	1	47,16,00,000	49.05					49.05
(i)	Debt securities								
	- Bonds of Andhra Bank	8,000	10,00,000			853.64	853.64		853.64
	- 11.15 % perpetual bonds of Indian Bank	5,000	10,00,000			528.22	528.22		528.22
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	10,00,000			527.97	527.97		527.97
	- 11.25 % perpetual bonds of Syndicate Bank	5,000	10,00,000			528.47	528.47		528.47
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO)	86,800	1,000	9.14					9.14
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	46,000	1,000	4.44					4.44
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	36,800	1,000	3.81					3.81
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	61,300	1,000	6.45					6.45
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	22,300	1,000	2.39					2.39
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	14,000	1,000	1.46					1.46
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO)	50,000	1,000	5.31					5.31
(ii)	Equity instruments :								
	Joint Venture								
	- Energy Efficiency Services Limited	46,36,10,000	10					545.84	545.84
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects	10,30,000	10						
	Others							0.80	0.80
	- PTC India Limited.	1,20,00,000	10		67.56		67.56		67.56
	- Coal India Limited	1,39,64,530	10		279.08		279.08		279.08
	- NHPC Limited	41,85,62,812	10		933.39		933.39		933.39
	- Power Exchange India Limited	32,20,000	10		-		-		-
	- GMR Chhattisgarh Energy Limited	-	-		-		-		-
	- Shree Maheshwar Hydro Power Projects Limited	13,18,46,779	10		-		-		-
	- Housing and Urban Development Corporation. Ltd	3,47,429	10		1.21		1.21		1.21
	- Indian Energy Exchange Ltd.	1,22,71,211	1		148.05		148.05		148.05
	- Universal Commodity Exchange Ltd.	1,60,00,000	10						
(iii)	Preference Shares								
	- Raipur Energen Limited	59,82,371	100.00	8.79					8.79
(iv)	Others	52,22,70,000	10.00	-					
	- Units of " Small is Beautiful " Fund	1,23,04,400	10		12.26		12.26		12.26
	Total Investments			90.84	1,441.55	2,438.30	3,879.85	546.64	4,517.33
(B)	Geography wise investment								
(i)	Investments Outside India			-	-	-	-	-	-
(ii)	Investments in India			90.84	1,441.55	2,438.30	3,879.85	546.64	4,517.33
	Gross Geography wise investment			90.84	1,441.55	2,438.30	3,879.85	546.64	4,517.33
	Less: Impairment loss allowance			-	-	-	-	(0.06)	(0.06)
	Net Geography wise investment			90.84	1,441.55	2,438.30	3,879.85	546.58	4,517.27

arrying value arrived at by using equity method as per Ind-AS 28.

*Carrying value arrived at by using equity method as per Ind-AS 28.



Sr. No.	Particulars	As at 31.03.2019							(₹ in crore)
		No. of securities	Face Value (Amount in ₹)	Amortised Cost	At Fair Value			Others*	Total
					Through Other Comprehensive Income	Through Profit or Loss	Subtotal		
(A)	Investments								
	Government Securities								
	- Govt. of MP Power Bonds - II	1	47,16,00,000	47.16	-	-	-	-	47.16
(i)	Debt securities								
	- Bonds of Andhra Bank	8,000	10,00,000	-	-	809.84	809.84	-	809.84
	- Bonds from State Power Corporations	-	-	-	-	-	-	-	-
	- 11.15 % perpetual bonds of Indian Bank	5,000	10,00,000	-	-	500.31	500.31	-	500.31
	- 11.25 % perpetual bonds of Vijaya Bank	5,000	10,00,000	-	-	556.25	556.25	-	556.25
	- 11.25 % perpetual bonds of Syndicate Bank	5,000	10,00,000	-	-	500.31	500.31	-	500.31
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO)	86,800	1,000	8.81	-	-	-	-	8.81
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	46,000	1,000	4.60	-	-	-	-	4.60
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI)	36,800	1,000	3.68	-	-	-	-	3.68
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	61,300	1,000	6.22	-	-	-	-	6.22
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	22,300	1,000	2.31	-	-	-	-	2.31
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	14,000	1,000	1.40	-	-	-	-	1.40
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation (HUDCO)	50,000	1,000	5.09	-	-	-	-	5.09
(ii)	Equity instruments :								
	Joint Venture								
	- Energy Efficiency Services Limited	39,20,00,000	10	-	-	-	-	480.65	480.65
	Associates								
	- Ultramega Power Projects / Independent Transmission Projects	7,50,000	10	-	-	-	-	0.74	0.74
	Others								
	- PTC India Limited.	1,20,00,000	10	-	88.14	-	88.14	-	88.14
	- Power Grid Corporation of India Limited	-	-	-	-	-	-	-	-
	- Coal India Limited	1,39,64,530	10	-	331.24	-	331.24	-	331.24
	- NHPC Limited	41,97,75,446	10	-	1,036.85	-	1,036.85	-	1,036.85
	- GMR Chhattisgarh Energy Private Limited	27,50,00,000	10	-	-	-	-	-	-
	- Shree Maheshwar Hydro Power Projects Limited	13,18,46,779	10	-	-	-	-	-	-
	- Housing and Urban Development Corporation. Ltd	3,47,429	10	-	1.56	-	1.56	-	1.56
	- Indian Energy Exchange Ltd.	12,50,000	10	-	206.25	-	206.25	-	206.25
	- Universal Commodity Exchange Ltd.	1,60,00,000	10	-	-	-	-	-	-
	- Lanco Teesta Hydro Power Pvt. Ltd.	10,20,00,000	10	-	-	-	-	-	-
(iii)	Others								
	- Units of " Small is Beautiful " Fund	1,23,04,400	10	-	12.36	-	12.36	-	12.36
	Total			79.27	1,676.40	2,366.71	4,043.11	481.39	4,603.77
(B)	Geography wise investment								
(i)	Investments Outside India			-	-	-	-	-	-
(ii)	Investments in India			79.27	1,676.40	2,366.71	4,043.11	481.39	4,603.77
	Gross Geography wise investment			79.27	1,676.40	2,366.71	4,043.11	481.39	4,603.77
	Less: Impairment loss allowance			-	-	-	-	-	-
	Net Geography wise investment			79.27	1,676.40	2,366.71	4,043.11	481.39	4,603.77

*Carrying value arrived at by using equity method as per Ind-AS 28.



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)			
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Amount Recoverable on account of Bonds fully serviced by GOI	23,039.51	23,169.32
(ii)	Advances - to Associates*	204.09	196.22
(iii)	Advance to Employees	1.89	1.09
(iv)	Loans to Employees	82.95	78.87
(v)	Others	408.56	356.42
	Less: Impairment loss allowance on Others	(45.98)	(40.45)
	Total Other Financial Assets	23,691.02	23,761.47

*Recoverable in cash.



8 Current Tax Assets / Liabilities (Net)

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
(i)	Advance income tax and TDS (Net of provisions)	1,054.50	730.64
(ii)	Tax Deposited on income tax demands under contest (Net of provisions)	70.57	64.56
	Total Current Tax Assets (Net)	1,125.07	795.20



Particulars	Amount (₹ in crore)
Balance as at 31.03.2018	0.01
Addition / Deletion During the Year	-
Balance as at 31.03.2019	0.01
Addition / Deletion During the Year	-
Balance as at 30.09.2019	0.01

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

	As at 30.09.2019	As at 31.03.2019
Net Carrying Amount (A-B)		
Freehold Land	113.77	113.77
Leasehold Land	1.28	1.28
Buildings	35.72	36.28
EDP Equipment	10.70	10.77
Office Equipment	13.07	13.40
Furniture and Fixtures	9.61	8.41
Vehicles	0.13	0.11
Leasehold Improvements	2.04	2.43
Total	186.32	186.45
CWIP	249.46	196.94
Intangible assets under development	1.59	1.59
Other Intangible assets	10.20	9.18



Gross Carrying Amount	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	Immovable Property	Computer Software	Computer Software	
Opening Balance as at 01.04.2018	86.30	1.59	56.66	36.78	34.77	19.73	0.60	4.02	240.45	127.23	1.46	22.25	
Additions / Adjustments	27.47	-	-	7.39	7.16	3.92	-	0.12	46.06	54.57	0.13	4.88	
Deductions / Adjustments	-	-	-	3.98	3.67	0.36	0.11	-	8.12	(15.14)	-	(0.04)	
Closing Balance as at 31.03.2019	113.77	1.59	56.66	40.19	38.26	23.29	0.49	4.14	278.39	196.94	1.59	27.17	
Additions / Adjustments	-	-	0.01	3.00	2.90	3.13	0.03	-	9.07	44.90	-	2.67	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	7.62	-	-	
Deductions / Adjustments	-	-	0.01	1.40	1.73	1.33	-	-	4.47	-	-	-	
Closing Balance as at 30.09.2019	113.77	1.59	56.66	41.79	39.43	25.09	0.52	4.14	282.99	249.46	1.59	29.83	

Accumulated Depreciation / Amortization	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	Immovable Property	Computer Software	Computer Software	
Opening Balance as at 01.04.2018	-	0.29	19.23	28.29	22.55	13.52	0.42	0.91	85.21	-	-	16.06	
For the period	-	0.02	1.15	4.88	5.22	1.55	0.04	0.80	13.66	-	-	1.83	
Reversal on Assets Sold/Written off from books	-	-	-	3.75	2.91	0.19	0.08	-	6.93	-	-	(0.10)	
Closing Balance as at 31.03.2019	-	0.31	20.38	29.42	24.86	14.88	0.38	1.71	91.94	-	-	17.99	
For the period	-	-	0.57	2.76	2.67	0.97	0.02	0.40	7.39	-	-	1.65	
Reversal on Assets Sold/Written off from books	-	-	0.01	1.09	1.17	0.37	0.01	0.01	2.66	-	-	0.01	
Closing Balance as at 30.09.2019	-	0.31	20.94	31.09	26.36	15.48	0.39	2.10	96.67	-	-	19.63	



11 Right-of-use Assets

(₹ in crore)

Particulars	As at 30.09.2019	As at 31.03.2019
Balance as at 01.04.2019	-	-
Additions ^s	44.55	-
Less: Depreciation during the Period*	1.67	-
Closing Balance as at 30.09.2019	42.88	-

^sInd AS 116, applicable from 01.04.2019, requires recognition of Right of Use Assets on long term non-cancellable lease contracts.

*Depreciation expense on ROU 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 30.09.2019	As at 31.03.2019
(i)	Prepaid Expenses	9.11	36.95
(ii)	Deferred Employee Costs	56.92	54.30
(iii)	Capital Advances	87.43	79.09
(iv)	Other assets	131.29	223.16
	Total Other Non-Financial Assets	284.75	393.50



13 Assets Classified as held for sale

(₹ in Crore)

Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(A)	Assets classified as held for sale		
(i)	Investment	0.45	0.50
(ii)	Loans to associates	12.65	9.06
	Total (A)	13.10	9.56
(B)	Liabilities directly associated with assets classified as held for sale		
(i)	Payable to associates	-	0.08
	Total (B)	-	0.08
	Disposal Group - Net assets (A-B)	13.10	9.48



14 Trade Payables

(₹ in crore)			
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
	Trade Payables		
(i)	-Total outstanding dues of Micro, Small and Medium Enterprises	-	2.65
(ii)	-Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	58.70	72.26
	Total Trade Payables	58.70	74.91



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 30.09.2019	As at 31.03.2019
(i)	Bonds / Debenture		
	- Infrastructure Bonds	370.06	370.06
	- Tax Free Bonds	24,853.08	24,853.08
	- 54 EC Capital Gain Tax Exemption Bonds	24,491.03	23,941.98
	- Taxable Bonds	3,08,348.66	2,98,307.82
	- Foreign Currency Notes	38,579.39	21,095.29
(ii)	Commercial Paper	8,755.98	17,690.92
(iii)	Interest accrued but not due on above	14,559.15	12,648.16
(iv)	Unamortised Transaction Cost on above	(1,287.08)	(1,277.35)
(v)	Bond Application Money	12.21	722.04
	Total Debt Securities	4,18,682.48	3,98,352.00
	Geography wise Debt Securities		
(i)	Debt Securities in India	3,80,611.78	3,77,818.26
(ii)	Debt Securities outside India	38,070.70	20,533.74
	Total Geography wise Debt Securities	4,18,682.48	3,98,352.00



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.

		(₹ in crore)	
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans	9,030.67	9,701.51
	- Syndicated Foreign Currency Loans	36,325.90	32,787.57
	- Rupee term Loan	61,173.59	58,453.55
(ii)	From other Parties		
	- Rupee term Loan - Govt	12,500.00	12,500.00
(B)	Other Loans		
(i)	Loan against Term Deposits	-	12,737.18
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	1,279.50	620.00
(iii)	Finance Lease Obligation	0.11	0.11
(C)	Interest accrued but not due on above	764.67	609.87
(D)	Unamortised Transaction Cost on above	(392.10)	(402.72)
	Total Borrowings (other than Debt Securities)	1,20,682.34	1,27,007.07
(II)	Geography wise Borrowings		
(i)	Borrowings in India	81,597.01	89,111.58
(ii)	Borrowings outside India	39,085.33	37,895.49
	Total Geography wise Borrowings	1,20,682.34	1,27,007.07



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 30.09.2019	As at 31.03.2019
		Amortised Cost	Amortised Cost
(A)	Subordinated Liabilities		
(i)	Subordinated Bonds	13,862.70	13,862.70
(ii)	Interest accrued but not due on above	628.66	272.26
(iii)	Unamortised Transaction Cost on above	(6.12)	(6.50)
	Total Subordinated Liabilities	14,485.24	14,128.46
(B)	Geography wise Subordinated Liabilities		
(i)	Subordinated Bonds in India	14,485.24	14,128.46
(ii)	Subordinated Bonds outside India	-	-
	Total Geography wise Subordinated Liabilities	14,485.24	14,128.46



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 30.09.2019	As at 31.03.2019
(i)	Payable for Government of India Serviced bonds	23,037.68	23,034.27
(ii)	Advance received from Associates*	247.49	188.11
(iii)	Unpaid Dividends		
	- Unclaimed Dividends	8.24	7.31
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	40.63	40.67
	- Unclaimed Interest on Bonds	25.12	29.86
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.78	0.82
	- Interest Subsidy Fund and other GOI Funds for disbursement as subsidy /	778.67	872.99
	- Payable under APDRP/IPDS scheme	1.20	-
	- Payable towards funded staff benefits	-	31.78
	- Lease Liability	13.45	-
	- Other liabilities	223.02	368.47
	Total Other Financial Liabilities	24,376.28	24,574.28

*Payable in cash



19 Provisions

(₹ in crore)			
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	For Employee Benefits		
	- Gratuity	0.58	0.75
	- Leave Encashment	64.13	60.78
	- Economic Rehabilitation of Employees	5.78	5.38
	- Provision for Bonus / Incentive	67.48	83.25
	- Provision for Staff Welfare Expenses	13.60	16.83
	- Proposed Wage Revision	0.05	13.11
(ii)	Impairment Loss Allowance - Letter of Comfort	180.34	186.71
	Total Provisions	331.96	366.81



20 Other Non-Financial Liabilities

		(₹ in crore)	
Sr. No.	Particulars	As at 30.09.2019	As at 31.03.2019
(i)	Unamortised Fee - Undisbursed Loans Assets	156.29	122.12
(ii)	Sundry Liabilities (Interest Capitalisation)	10.59	21.99
(iii)	Statutory dues payable:		
	- Corporate Interim Dividend Tax Payable	-	-
	- Others	34.49	49.64
(iv)	Advance received from Govt. towards Govt. Schemes	14.78	16.20
	Total Other Non-Financial Liabilities	216.15	209.95



21 Equity Share Capital

Sr. No.	Particulars	As at 30.09.2019		As at 31.03.2019	
		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 outstanding	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period	-	-	-	0.00
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08



22 Other Equity*

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
(i)	Capital Reserve - Common Control	(13,461.00)	(13,461.00)
(ii)	Capital Reserve - Change in shareholding in Joint Venture	1.97	
(iii)	Debenture Redemption Reserve	0.00	2,708.07
(iv)	Securities Premium	3,953.74	3,953.74
(v)	Foreign Currency Monetary Item Translation Difference Account	(1,510.08)	(1,172.29)
(vi)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	2,824.63	2,020.82
(vii)	Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act, 1961	4,721.60	5,337.53
(viii)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85
(ix)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial	26,621.84	25,465.49
(x)	Interest Differential Reserve - KFW Loan	61.01	60.00
(xi)	General Reserve	13,868.20	10,191.77
(xii)	Retained Earnings	10,454.68	9,029.56
(xiii)	Reserve for Equity Instruments through Other Comprehensive Income	(80.34)	(204.45)
(xiv)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through other Comprehensive Income	(67.36)	(50.14)
(xv)	Share of Other Comprehensive Income in Joint Venture and Associates	0.57	2.22
	Total Other Equity*	47,989.30	44,481.17

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

23 Non-Controlling Interest

S. No.	Particulars	(₹ in crore)	
		As at 30.09.2019	As at 31.03.2019
	Balance at the beginning of the period	16,363.02	15,435.22
(i)	Share of Net Profit for the year	1,341.13	2,719.41
(ii)	Re-measurement of Defined Benefit Plans	2.82	(5.97)
(iii)	Share of Other Comprehensive Income / (Expense)	(41.35)	(22.73)
	Share of Total Comprehensive Income	1,302.60	2,690.71
(i)	Dividend (including dividend tax) paid to Non-Controlling Interest	-	(1,192.61)
(ii)	Dividend Distribution tax paid for Non-Controlling Interest	-	(248.91)
(iii)	Others	(91.05)	(321.39)
	Balance at the end of the period	17,574.57	16,363.02



Sr. No.	Particulars	(₹ in Crore)			
		Half Year ended 30.09.2019		Half Year ended 30.09.2018	
		On financial assets measured at Amortised Cost	Interest income on Financial Assets classified at fair value through profit or loss	On financial assets measured at Amortised Cost	Interest income on Financial Assets classified at fair value through profit or loss
(i)	Interest on Loans	29,860.48		25,366.24	
	Less : Rebate for Timely Payment to Borrowers	(196.75)		(238.50)	
(ii)	Interest on Investment in Bonds		128.64		128.92
(iii)	Interest on Deposits with Banks	84.73	2.37	61.75	2.41
(iv)	Other Interest Income	26.75	1.18	39.91	0.04
	Total Interest Income	29,775.21	132.19	25,229.40	131.37



25 Fees and Commission Income

(₹ in Crore)			
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Prepayment Premium on Loans	46.08	155.28
(ii)	Fee based Income on Loans	32.43	5.84
(iii)	Fee for implementation of Gov Schemes	15.90	69.74
	Total Fees and Commission Income	94.41	230.86

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

(₹ in Crores)			
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	On financial instruments designated at Fair value through Profit or Loss:		
	Changes on fair value of Derivatives	(192.35)	(2,355.86)
	Total Net Gain (-) / Loss (+) on Fair Value Changes	(192.35)	(2,355.86)

27 Other Operating Income

(₹ in Crore)			
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Sale of Services	107.76	80.56
(ii)	Other	0.01	0.61
	Total Other Operating Income	107.77	81.17

28 Other Income

(₹ in Crore)			
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Excess Liabilities written back	0.60	10.37
(ii)	Miscellaneous Income	15.99	10.54
	Total Other Income	16.59	20.91



Sr. No.	Particulars	(₹ in Crore)			
		Half Year ended 30.09.2019		Half Year ended 30.09.2018	
		On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss
(i)	Interest on Borrowings				
	- Term Loans and others	3,796.29		1,330.93	
(ii)	Interest on Debt Securities				
	- Bonds / Debentures	14,954.56		14,643.16	
	- Commercial Paper	653.42		346.80	
(iii)	Interest on Subordinated Liabilities	623.80		279.67	
(iv)	Other Interest Expense				
	- Interest on Interest Subsidy Fund	0.69		2.89	
	- Interest on Application Money - Bonds	-		0.02	
	- Interest on advances received from Subsidiaries	2.86		3.09	
	- Swap Premium (Net)		65.71		1.18
	- Interest on Lease Liability	0.41		-	
	- Other	0.38		1.62	
	Less: Finance Cost Capitalised	(7.62)		-	
	Total Finance Costs	20,024.79	65.71	16,608.18	1.18



30 Fees and Commission Expense

		(₹ in Crore)	
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Agency Fees	1.10	0.81
(ii)	Guarantee, Listing and Trusteeship fees	5.87	8.31
(iii)	Credit Rating Fees	5.01	4.87
(iv)	Other Finance Charges	2.94	4.60
	Total Fees and Commission Expense	14.92	18.59

31 Impairment on Financial Instruments

		(₹ in Crore)	
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
		On Financial Instruments measured at	On Financial Instruments measured at
(i)	Loans	72.06	105.86
(ii)	Write offs	812.88	-
(iii)	Letter of Comfort	(6.37)	-
(iv)	Others Financial Instruments	14.62	17.65
	Total Impairment on Financial Instruments	893.19	123.51

32 Employee Benefit Expenses

		(₹ in Crore)	
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Salaries and Wages	150.92	126.86
(ii)	Contribution to Provident and other Funds	19.29	19.81
(iii)	Staff Welfare Expenses	44.39	24.76
(iv)	Rent for Residential Accommodation of Employees	3.05	2.77
	Total Employee Benefit Expenses	217.65	174.20

33 Other Expenses

		(₹ in Crore)	
Sr. No.	Particulars	Half Year ended 30.09.2019	Half Year ended 30.09.2018
(i)	Rent, Taxes and Energy Cost	16.22	21.76
(ii)	Repairs and Maintenance	9.59	6.44
(iii)	Communication Costs	1.55	1.94
(iv)	Printing and Stationery	2.05	3.60
(v)	Advertisement and Publicity	6.95	87.59
(vi)	Directors Fees, Allowance & Expenses	0.20	0.13
(vii)	Auditor's fees and expenses	0.46	0.54
(viii)	Legal & Professional charges	13.15	10.48
(ix)	Insurance	0.10	0.06
(x)	Travelling and Conveyance	14.74	13.04
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	0.81	0.52
(xii)	Other Expenditure	42.66	42.16
	Total Other Expenses	108.48	188.26



SIGNIFICANT GROUP ACCOUNTING POLICIES

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

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.

2. Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as "the Group"). The Group has investment in joint venture and associates which are accounted using equity method in these consolidated financial statements.

The financial statements of Subsidiaries, Joint Venture and Associates are drawn up to the same reporting date as of the Company for the purpose of Consolidation.

i) Subsidiaries:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the Company obtains the control (except for Business Combinations under Common Control).

The Company combines the financial statements of its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances, unrealised gains on transactions between the Company and subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.



Non-controlling interests (NCI) represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements except as otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

If the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in Statement of Profit and Loss.

ii) Joint Venture and Associates:

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of Joint Venture or Associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in a Joint Venture or Associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture or Associate. Distributions received from a joint venture/associate reduce the carrying amount of the investment.

Upon loss of joint control over the Joint Venture or significant influence over the Associate, the Company measures and recognises any retained investment at its fair value. Any difference between a) the carrying amount of the Joint Venture or Associate upon loss of joint control or significant influence respectively and b) the fair value of the retained investment and proceeds from disposal is recognised in Statement of Profit and Loss.

3. 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.

4. Derivative financial instruments



- 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.
- 4.2. The Group designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

Cash flow hedge

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

Fair value hedge

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

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

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

5. Financial instruments

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

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

5.1. Financial assets

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

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



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

a) Financial assets at Amortised Cost:

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

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

Effective Interest Rate (EIR) method

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

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

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

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

(ii) Classification and measurement of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis.



An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group transfers the same within equity.

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

(iii) Impairment of financial assets

a) Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Group measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Group measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Group considers reasonable and supportable information, that is available without undue cost or effort. If the Group measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Group again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Group measures impairment on commitments under LoC on similar basis as in case of Loan assets.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

d) In case of REC Ltd., financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

(iv) De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been



recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

5.2. Financial liabilities

- (i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

(ii) Financial guarantee

A financial guarantee issued by the Group is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Statement of Profit and Loss.

(iii) De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

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.

6. Investment property

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)



The Group only has land as an investment property, which is not depreciated.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognized.

7. Property, Plant and Equipment (PPE) and Depreciation

- (i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- (ii) The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.
- (iii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.
- (iv) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.
- (v) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.
- (vi) Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method*, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except following:

Nature of PPE	Life of PPE
Cell phones ⁽¹⁾	2 years
Lease hold improvement ⁽²⁾	Lease period or their useful lives whichever is shorter (in case of PFCCL)

* Depreciation is provided using Straight line method by REC Ltd.

(1) Useful life has been taken as 2 years by the Group

(2) Lease hold improvements are amortised on straight line basis

- (vii) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
- (viii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of an item of PPE is



determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(ix) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

(x) The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'

8. Intangible assets and Amortisation

- (i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.
- (ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as intangible assets under development till they are ready for their intended use.
- (iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Group as 5 years. In case of PFCCL, life is estimated as 36 months.
- (iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.
- (v) Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

9. Assets/ Disposal Groups held for sale

Assets are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the Balance Sheet.

Where the Group is committed to a sale plan involving loss of control of a Subsidiary, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.



10. Provisions and Contingent Liabilities

- (i) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

11. Recognition of Income and Expenditure

- (i) Interest income, on financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (ii) Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.
- (iii) Rebate on account of timely payment of interest by borrowers is recognized on receipt of entire interest amount due in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.
- (iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.
- (v) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized on completed contract method basis i.e. when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing at agreed charge out rates decided by the management.
- (vi) The sale proceeds from Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- (vii) Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- (viii) Dividend income from investments is recognized in Statement of Profit and Loss when the Group's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.



- (ix) Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- (x) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- (xi) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

12. Expenditure on issue of shares

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

13. Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

14. Employee benefits

(i) Defined Contribution Plan

Group's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

(ii) Defined Benefit Plan

The Group's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

(iii) Other long term employee benefits

The Group's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

(iv) Short term employee benefits



Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the Loan. In case of change in expected remaining period of the Loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

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.

16. 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 the inception of the 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 includes 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 assets (RoU) are initially recognized at cost, which comprises 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 asset (RoU) if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been 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 have been 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.



17. Foreign Currency Transactions and Translations

The functional currency of the Group is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before 1 April 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item.

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.

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.

20. Dividends



Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

21. Earnings per share

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

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

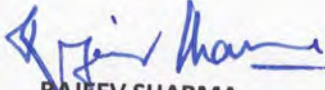


Summarised Notes to Unaudited Consolidated Interim Financial Statement:

- 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 14.11.2019.
- 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 loan assets and impairment loss allowance thereon maintained by the Company and its subsidiary, REC Ltd., as per Ind AS 109 is as under.
- | | | (₹ in crore) | |
|--------|--|---------------------|---------------------|
| S. No. | Particulars | As on
30.09.2019 | As on
31.03.2019 |
| a) | Credit Impaired loan assets | | |
| b) | Impairment Loss Allowance Maintained | 50,101.80 | 49,888.75 |
| c) | Impairment Loss Allowance Coverage (%) (b/a) | 25,562.78 | 24,719.96 |
| | | 51.02% | 49.55% |
- 4 As a matter of prudence, income on credit impaired loans is recognised as and when received and on accrual basis either on resolutions of stressed assets or when expected realisation is higher than the loan amount outstanding.
- 5 The Company and its Subsidiaries have 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 ₹ 44.55 crore and 'Lease Liability' of ₹ 14.13 crore. The impact on profit for the half year ended 30.09.2019 is not material.
- 6 The Company and its subsidiary, REC Ltd., have exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Provision for Income Tax (current tax) for the half year ended 30.09.2019 has been recognised on annualised basis. Also, Deferred Tax Assets/ Liability has been remeasured on the basis of the rate prescribed under Section 115BAA by revising the annual effective income tax rate and recognising the effect of change over the financial year.
- 7 These Statements for the half year ended 30.09.2019 include standalone interim financial statements of PFC Ltd., Management approved interim financial statements of three subsidiaries; one joint venture entity and fifteen associates which 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'.
- 8 The disclosure of related party transactions on a consolidated basis for the half year ended 30.09.2019 has been given in **Annexure - 'A'**.
- 9 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.
- 10 Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 14.11.2019




RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413

Transactions with the related parties during the half year ended 30.09.2019 on consolidated basis.

Annexure – 'A'

Particulars	(₹ In Crore) Amount
Joint Venture	
CSR Expenses	
Others	0.63
Associates	
Advances to associates	0.04
Interest income on advances to associates	
Advances received from Associates	(3.08)
Interest expenses on advances from associates	13.04
Others	56.42
Trusts / Funds/ Foundations of the Group	
Contributions made during the year	2.86
Finance Cost – Interest paid	25.09
CSR Expenses	7.69
Key managerial personnel	
Short term employee benefits	1.37
Post-employment benefits	48.41
Other long term benefits	
Repayment/ Recovery of loans and advances	4.23
Directors' Sitting Fees	0.18
Others	0.17
	(0.06)
	0.19
	0.03

