



**POWER FINANCE CORPORATION LIMITED**

(A Government of India undertaking)

Our Company was incorporated as Power Finance Corporation Limited, on July 16, 1986 as a public limited company under the erstwhile Companies Act, 1956, and was granted a certificate of incorporation by the Registrar of Companies, NCT of Delhi & Haryana, and was granted a certificate of commencement of business dated December 31, 1987. For further details, please refer to the section "History and Certain Corporate Matters" on page 129 of this Shelf Prospectus.

**Corporate Identification Number:** L65910DL1986GOI024862.

**Registered Office and Corporate Office:** Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.

**Website:** www.pfcindia.com

**Telephone:** +91 11 2345 6000; **Facsimile:** +91 11 2341 2545; **E-mail:** publicissue20@pfcindia.com

**Company Secretary and Compliance Officer of the Company:** Mr. Manohar Balwani, Company Secretary; **Telephone:** +91 11 2345 6293

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

**OUR PROMOTER**

The President of India, acting through and represented by Ministry of Power, Government of India. For further details of our Promoter, please see "Our Promoter" on page 149 of this Shelf Prospectus.

**GENERAL RISKS**

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "Risk Factors" on page 15 of this Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Ministry of Power or any registrar of companies or any stock exchange in India.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**CREDIT RATING**

The NCDs proposed to be issued under the Issue have been rated 'CARE AAA; Stable' by CARE Ratings Limited ("CARE"); 'CRISIL AAA / Stable' by CRISIL Limited ("CRISIL"); and '[ICRA]AAA(Stable)' by ICRA Limited ("ICRA"), for an amount of up to ₹ 98,000 crore vide their letters dated January 07, 2021, January 08, 2021 and January 06, 2021, respectively. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. The ratings provided by CARE, ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please see Annexure A for the rating letters and the rationale for the above ratings.

**PUBLIC COMMENTS**

The Draft Shelf Prospectus dated December 31, 2020 was filed with the BSE, and pursuant to the provisions of the SEBI Debt Regulations, was kept open for public comments for a period of seven Working Days till January 07, 2021 (i.e. until 5 p.m.). No comments were received on the Draft Shelf Prospectus until 5 p.m. on January 07, 2021.



**LISTING**

The NCDs offered through this Shelf Prospectus along with the relevant Tranche Prospectus are proposed to be listed on the BSE. Our Company has obtained 'in-principle' approval for the Issue from BSE vide its letter no. DCS/BM/PI-BOND/012/20-21 dated January 07, 2021. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

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

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs and Eligible Investors of the NCDs, see "Issue Related Information" beginning on page 262 of the Shelf Prospectus. For details relating to eligible investors see, "Issue Related Information" beginning on page 262 of this Shelf Prospectus.

**LEAD MANAGERS TO THE ISSUE**

 <p><b>TRUST INVESTMENT ADVISORS PRIVATE LIMITED</b> 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India. Telephone: +91 22 40845000 Facsimile: +91 22 40845066 Email: trust.pfc2020@trustgroup.in Investor Grievance E-mail: customercare@trustgroup.in Website: www.trustgroup.in Contact person: Ms. Hetal Sonpal Compliance Officer: Mr. Ankur Jain SEBI Registration No.: INM000011120</p>	 <p><b>A. K. CAPITAL SERVICES LIMITED</b> 30-38, Free Press House, 3<sup>rd</sup> Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: +91 22 6754 6500 / +91 22 6634 9300 Facsimile: +91 22 6610 0594 Email: pfcncd2020@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact person: Ms. Aanchal Wagle / Mr. Lokesh Shah Compliance Officer: Mr. Tejas Darda SEBI Registration No.: INM000010411</p>	 <p><b>EDELWEISS FINANCIAL SERVICES LIMITED</b> Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098 Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email: pfcbond2019@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650</p>	 <p><b>JM FINANCIAL LIMITED</b> 7<sup>th</sup> Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 22 6630 3030 Facsimile: +91 22 6630 3330 Email: PFC.bondissue2020@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact person: Ms. Prachee Dhuri Compliance Officer: Mr. Sunny Shah SEBI Registration No.: INM000010361</p>
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**REGISTRAR TO THE ISSUE**

 <p><b>KFIN TECHNOLOGIES PRIVATE LIMITED (FORMERLY KNOWN AS KARVY FINTECH PRIVATE LIMITED)</b> Selenium Tower B, Plot No – 31 &amp; 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telangana 500 032 Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 Email: pfc.ncd2020@kfintech.com Investor Grievance Email: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221</p>
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**DEBENTURE TRUSTEE\***

 <p><b>BEACON TRUSTEESHIP LIMITED</b> 4 C&amp;D, Siddhivinayak Chambers, opp. MIG Cricket Club Bandra (East), Mumbai 400 051 Telephone: +91 22 2655 8759 Email: compliance@beacontrustee.co.in Investor Grievance Email: investorgrievances@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Mr. Vitthal Nawandhar SEBI Registration No.: IND000000569</p>
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**ISSUE PROGRAMME\***

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

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

\*Beacon Trusteeship Limited pursuant to regulation 4(4) of SEBI Debt Regulations has by its letter dated October 23, 2020 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. For further details please see "General Information - Debenture Trustee" on page 38 of this Shelf Prospectus and see Annexure B.

\*The Issue shall remain open for subscription on Working Days from 10.00 a.m. till 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the Company, subject to necessary approvals. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue has been given. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 262 of this Shelf Prospectus.

A copy of this Shelf Prospectus along with the relevant Tranche Prospectus(es) shall be filed with the Registrar of Companies, NCT of Delhi & Haryana, in terms of Section 26 and 31 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled "Material Contracts and Documents for Inspection" on page 319 of this Shelf Prospectus.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

#### Company Related Terms

Term	Description
“Issuer” or “PFC” or “our Company” or “the Company”	Power Finance Corporation Limited, a public limited company incorporated under the erstwhile Companies Act, 1956 and having its registered office and corporate office situated at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.
“Articles” or “Articles of Association” or “AoA”	Articles of association of our Company, as amended.
“Board” or “Board of Directors”	Board of directors of our Company.
Director(s)	Director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹10 (ten) each.
Joint Ventures	Energy Efficiency Services Limited
“Memorandum” or “Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended.
Promoter	The President of India, acting through the Ministry of Power, Government of India.
“Registered Office” or “Corporate Office”	The registered office situated at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.
RoC / Registrar of Companies	Registrar of Companies, NCT of Delhi and Haryana.
“Statutory Auditors” or “Joint Statutory Auditors” or “Auditors”	The current joint statutory auditors of our Company, namely, M/s Gandhi Minocha & Co. and M/s Dass Gupta & Associates.
Subsidiaries	The subsidiaries of our Company in terms of Section 2(87) of the Companies Act, 2013, namely, <ol style="list-style-type: none"> <li>1. Coastal Maharashtra Mega Power Limited</li> <li>2. Sakhigopal Integrated Power Company Limited</li> <li>3. Orissa Integrated Power Limited</li> <li>4. Chhattisgarh Surguja Power Limited</li> <li>5. Bihar Mega Power Limited</li> <li>6. Bihar Infrapower Limited</li> <li>7. Cheyyur Infra Limited</li> <li>8. Ghogarpalli Integrated power Limited</li> <li>9. Coastal Karnataka Power Limited</li> <li>10. Odisha Infrapower Limited</li> <li>11. Deoghar Mega Power Limited</li> <li>12. Deoghar Infra Limited</li> <li>13. Tatiya Andhra Mega Power Limited</li> <li>14. Coastal Tamil Nadu Power Limited</li> <li>15. Jharkhand Infrapower Limited</li> <li>16. PFC Consulting Limited;</li> <li>17. Bijawar-Vidarbha Transmission Limited</li> <li>18. Shongtong Karcham-Wangtoo Transmission Limited</li> <li>19. Tanda Transmission Company Limited</li> <li>20. Karur Transmission Limited</li> <li>21. Koppal-Narendra Transmission Limited</li> <li>22. Ananthpuram Kurnool Transmission Limited</li> <li>23. Bhadla Sikar Transmission Limited</li> <li>24. Bikaner-II Bhiwadi Transco Limited</li> <li>25. Khetri-Narela Transmission Limited</li> <li>26. Sikar-II Aligarh Transmission Limited</li> <li>27. REC Limited,</li> <li>28. REC Power Distribution Company Limited;</li> <li>29. REC Transmission Projects Company Limited;</li> <li>30. Koderma Transmission Limited;</li> <li>31. Mandar Transmission Limited;</li> <li>32. Dinchang Transmission Limited;</li> <li>33. Chandil Transmission Limited;</li> <li>34. Dumka Transmission Limited;</li> <li>35. Kallam Transmission Limited</li> <li>36. Gadag Transmission Limited</li> <li>37. Fatehgarh Bhadla Transco Limited</li> <li>38. Rajgarh Transmission Limited</li> <li>39. Bidar Transmission Limited</li> <li>40. Sikar New Transmission Limited</li> <li>41. Ramgarh New Transmission Limited</li> <li>42. MP Power Transmission Package-I Limited</li> </ol>

Term	Description
	43. MP Power Transmission Package-II Limited

#### Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Shelf Prospectus and the relevant Tranche Prospectus.
A.K. Capital	A.K. Capital Services Limited.
“Allotment” or “Allot” or “Allotted”	The basis of allotment of the NCDs to the Allottees pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the NCDs are allotted pursuant to the Issue.
App	Application
“Applicant” or “Investor” or “ASBA Applicant”	A person who applies for the issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus, and the Application Form for any Tranche Issue.
“Application” or “ASBA application”	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto Rs. 2,00,000 which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.
“Application Form” or “ASBA Form”	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process or through the UPI Mechanism, in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto INR 2,00,000.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank.
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
“Bidding Centres” or “Collection Centres”	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs, and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members, are available on the respective websites of the Stock Exchanges.
BSE	BSE Limited.
CARE	CARE Ratings Limited (formerly known as Credit Analysis and Research Limited).
Category I - Institutional Investors	<ul style="list-style-type: none"> <li>a) Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>b) Provident funds and pension funds with a minimum corpus of ₹25 Crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>c) Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations;</li> <li>d) Resident venture capital funds registered with SEBI;</li> <li>e) Insurance companies registered with the IRDAI;</li> <li>f) State industrial development corporations;</li> <li>g) Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>h) Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>i) Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹500 Crore in accordance with the last audited financial statements;</li> <li>j) National Infrastructure Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>k) Mutual funds registered with SEBI.</li> </ul>
Category II- Non-Institutional Investors	<ul style="list-style-type: none"> <li>a) Companies within the meaning of Section 2(20) of the Companies Act, 2013;</li> <li>b) Statutory bodies / corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>c) Co-operative banks and regional rural banks;</li> <li>d) Trusts including public / private charitable / religious trusts which are authorised to invest in the NCDs;</li> <li>e) Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>f) Partnership firms in the name of the partners;</li> <li>g) Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended;</li> </ul>

<b>Term</b>	<b>Description</b>
	h) Association of persons; and i) Any other incorporated and/or unincorporated body of persons.
Category III - High Net-Worth Individuals	Resident Indian individuals or Hindu Undivided Families applying through the Karta, for NCDs aggregating up to a value of more than ₹10 Lakh, across all series of NCDs in a Tranche Issue.
Category IV- Retail Individual Investors	Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹10 Lakh, across all series of NCDs in a Tranche Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism
“Collecting Registrar and Share Transfer Agents” or “CRTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
“Collecting Depository Participants” or “CDPs”	A depository participant, as defined under the Depositories Act, 1996, as amended, and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular and UPI Mechanism Circular
Compliance Officer of the Company	Mr. Manohar Balwani, Company Secretary
Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members.
Consortium Agreement	Consortium agreement to be signed among our Company and the Consortium Members prior to each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus.
Credit Rating Agencies	CARE, ICRA and CRISIL.
CRISIL	CRISIL Limited.
“Debenture Holder(s)” or “NCD Holder(s)”	Any person holding the NCDs and whose name appears on the beneficial owners list provided by the Depositories (in case of NCDs in dematerialized form) or whose name appears in the Register of Debenture Holders maintained by the Issuer (in case of NCDs in physical form pursuant to rematerialization).
“Debentures” or “NCDs”	Secured, redeemable, non-convertible debentures of our Company of face value of ₹1,000 each proposed to be issued by our Company in terms of the Shelf Prospectus and relevant Tranche Prospectus.
Debenture Trustee Agreement	Agreement dated December 23, 2020 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, in accordance with applicable laws.
Debenture Trustee or Trustee	Trustee for the Debenture Holders, in this case being Beacon Trusteeship Limited.
Debt ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018, as amended from time to time.
Deemed Date of Allotment	The date on which the authorized officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The details of an Applicant, such as his address, bank account details, UPI ID, Permanent Account Number, Category for printing on refund orders, and occupation which are based on the details provided by the Applicant in the Application Form.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications, a list of which is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms, are available on the respective website of the Stock Exchange(s), as updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, after finalisation of the Basis of Allotment in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account and Sponsor Bank Agreement following which the NCDs will be Allotted in the Issue.
Designated Intermediaries	The Members of the Consortium, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.  In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications

<b>Term</b>	<b>Description</b>
	have been submitted through the app/web interface as provided in the UPI Mechanism Circular.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of INR 2,00,000) are available on the website of the Stock Exchange at ( <a href="https://www.bseindia.com/">https://www.bseindia.com/</a> ), as updated from time to time.
Designated Stock Exchange	BSE
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	The draft shelf prospectus dated December 31, 2020, filed with the Designated Stock Exchange for receiving public comments, and with SEBI for its records, in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Edelweiss	Edelweiss Financial Services Limited.
EESL	Energy Efficiency Services Limited
Financial Information under IND-AS	Collectively, the Reformatted Consolidated Financial Information under IND-AS and the Reformatted Standalone Financial Information under IND-AS.
Group Company(ies)	As defined under Regulation (2)(1)(t) of the Securities and Exchange of Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Our Company does not have any Group Companies.
ICRA	ICRA Limited.
Issue	Public issue by our Company of secured, redeemable, non-convertible debentures of face value of ₹1,000 each aggregating up to ₹10,000 Crore in one or more tranches.
Issue Agreement	Agreement dated December 30, 2020 entered into amongst our Company, and the Lead Managers.
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for each Tranche Issue.
“Issue Documents” or “Offer Documents”	Collectively the Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus(es) for the Issue, the Application Form and the Abridged Prospectus, including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue.
Issue Opening Date	Issue opening date as specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
JM Financial	JM Financial Limited.
“Lead Managers” or “LMs”	Trust Investment Advisors, A.K. Capital, Edelweiss and JM Financial
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended.
Limited Review Financial Results	The limited reviewed standalone and consolidated financial results of the Company for the quarter and half year ended September 30, 2020.
Market Lot	As mentioned in the relevant Tranche Prospectus
“Maturity Amount” or “Redemption Amount”	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
“Maturity Date” or “Redemption Date”	As will be specified in the relevant Tranche Prospectus for each Tranche Issue.
NRI	Persons resident outside India who are citizens of India, as defined in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended.
NSE	National Stock Exchange of India Limited.
PFCCL	PFC Consulting Limited
PFCGEL	PFC Green Energy Limited
PTC	PTC India Limited
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement dated January 11, 2021 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Managers for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	As specified in the relevant Tranche Prospectus.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Recovery Expense Fund	A fund which would be deposited by our Company with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs.

<b>Term</b>	<b>Description</b>
Reformatted Audited Financial Information under IGAAP	Collectively, the Reformatted Consolidated Financial Information under IGAAP and the Reformatted Standalone Financial Information under IGAAP.
Reformatted Audited Financial Information under Ind AS	Collectively, the Reformatted Consolidated Financial Information under Ind AS and the Reformatted Standalone Financial Information under Ind AS.
Reformatted Consolidated Financial Information under IGAAP	<p>The statement of reformatted consolidated balance sheet as at March 31, 2018, 2017 and 2016, the reformatted consolidated summary statement of profit and loss and the reformatted consolidated cash flow statements for each of the years ended March 31, 2018, 2017 and 2016 and the statement of significant accounting policies, and notes to accounts, as examined by our Company's Statutory Auditors.</p> <p>Our audited consolidated financial statements as at and for each of the years ended March 31, 2018, 2017 and 2016 form the basis for such Reformatted Consolidated Financial Information under IGAAP.</p>
Reformatted Consolidated Financial Information under Ind AS	<p>The reformatted consolidated statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019 and the reformatted consolidated Statement of Profit and Loss for the year ended 2020 and 2019 and the reformatted consolidated Statement of cash flows for the year ended 2020 and 2019 and the reformatted consolidated statement of Changes in Equity for the year ended 2020 and 2019.</p> <p>Our audited consolidated financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Ind AS Consolidated Financial Information.</p>
Reformatted Standalone Financial Information under IGAAP	<p>The statement of reformatted standalone balance sheet as at March 31, 2018, 2017 and 2016, the reformatted standalone summary statement of profit and loss, the reformatted standalone cash flow statement for each of the years ended March 31, 2018, 2017 and 2016, and statement of significant accounting policies, and notes to accounts, as examined by our Company's Statutory Auditors.</p> <p>Our audited standalone financial statements as at and for each of the years ended March 31, 2018, 2017, and 2016 form the basis for such Reformatted Standalone Financial Information under IGAAP.</p>
Reformatted Standalone Financial Information under Ind AS	<p>The reformatted standalone statement of Assets and Liabilities of our Company as at March 31, 2020 and March 31, 2019 and the reformatted standalone statement of profit and loss for the year ended 2020 and 2019 and the reformatted standalone statement of cash flows for the year ended 2020 and 2019 and the reformatted standalone statement of changes in equity for the year ended 2020 and 2019.</p> <p>Our audited standalone financial statements as at and for the year ended March 31, 2020 and March 31, 2019 form the basis for such Reformatted Ind AS Standalone Financial Information.</p>
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made and as specified in the relevant Tranche Prospectus.
Refund Bank	As specified in the relevant Tranche Prospectus.
Register of NCD Holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
"Registrar to the Issue" or "Registrar" or "RTA"	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Registrar Agreement	Agreement dated December 28, 2020, entered into between our Company and the Registrar to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers ) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Consortium, and eligible to procure Applications from Applicants.
Security	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest accrued on the NCDs shall be secured by way of first <i>pari passu</i> charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), more particularly as detailed in the section titled " <i>Issue Structure</i> " on page 262.
Series	As specified in relevant Tranche Prospectus(es)
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> for ASBA and <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Shelf Prospectus	This shelf prospectus dated January 11, 2021 to be filed with the RoC and the Designated Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.

<b>Term</b>	<b>Description</b>
Specified Locations	Bidding centers where the Member of the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto INR 2,00,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in the relevant Tranche Prospectus
Stock Exchange	BSE
Syndicate ASBA	Applications submitted by an ASBA Applicant through the Members of the Consortium and Trading Members instead of the Designated Branches of the SCSBs
Syndicate ASBA Application Locations	Bidding centres where the Members of the Consortium and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Consortium or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Consortium, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Intermediaries registered as brokers under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended, and with the BSE and/or NSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the BSE and NSE from time to time, and duly registered with BSE and/or NSE for collection and electronic upload of Application Forms on the electronic application platform provided by the BSE and/or NSE.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The relevant Tranche Prospectus for each Tranche Issue containing, <i>inter alia</i> , the details of NCDs including interest and other terms and conditions in respect of the relevant Tranche Issue.
Trust Investment Advisors	Trust Investment Advisors Private Limited.
“Transaction Registration Slip” or “TRS”	The slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tripartite Agreements	Tripartite Agreement dated May 16, 2006 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated April 25, 2006 entered into between our Company, the Registrar to the Issue and CDSL for offering dematerialised option to the NCD Holders under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
“UPI” or “UPI Mechanism”	Unified Payments Interface mechanism in accordance with SEBI Circular no. SEBI/HO/DDHS/CIR/P/2020/233 dated November 23, 2020 as amended from time to time, to block funds for application value upto Rs. 2,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
“UPI Mandate Request” or “Mandate Request”	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
UPI Mechanism Circular	Circular issued by SEBI on November 23, 2020 titled “Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015” bearing reference number SEBI/HO/DDHC/CIR/P/2020/233 as amended from time-to-time.
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when the stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of



<b>Term</b>	<b>Description</b>
	the stock exchanges in India excluding Sundays and bank holidays in Mumbai.

## Conventional and General Terms or Abbreviations

Term or Abbreviation	Description or Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
BPS	Basis points.
CAG	Comptroller and Auditor General of India.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CESTAT	Customs Excise and Service Tax Appellate Tribunal
CIC	Core Investment Company.
CIT(Appeals)	Commissioner of Income Tax (Appeals)
CMD	Chairman and Managing Director.
Companies Act, 1956	Companies Act, 1956, to the extent still in force
Companies Act, 2013	Companies Act, 2013, as amended.
CRAR	Capital to Risk Weighted Assets Ratio.
Crore	1,00,00,000.
CSR	Corporate Social Responsibility.
CWIP	Capital work in progress
Debt Application Circular	The circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”) and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”).
DIN	Director Identification Number.
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996, as amended.
“DP” or “Depository Participant”	Depository Participant as defined under the Depositories Act.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
ECB	External Commercial Borrowing
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, as amended.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
“Financial Year” or “Fiscal” or “FY”	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
“GoI” or “Government”	Government of India
HUF	Hindu Undivided Family.
IAS	Indian Administrative Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
ITAT	Income Tax Appellate Tribunal.
“Income Tax Act” or “I.T. Act” or “IT Act”	Income Tax Act, 1961.
Indian GAAP	Accounting Standards in accordance with the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013, and other relevant provisions of the Companies Act, 2013.
IND-AS	Indian accounting standards (IND-AS) in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act.
IRDAI	Insurance Regulatory and Development Authority of India.
ISIN	International Securities Identification Number.
IT	Information technology.
JV	Joint venture.
Lakh	1,00,000.
LIBOR	London Inter-Bank Offer Rate.
LTV	Loan to value.
Master Direction on IT Framework	RBI Master Direction - Information Technology Framework for the NBFC Sector, bearing reference number, RBI/DNBS/2016-17/53 Master Direction DNBS.PPD.No.04/66.15.001/2016-17, dated June 8, 2017.
MICR	Magnetic ink character recognition
MoF	Ministry of Finance, GoI.
MCA	Ministry of Corporate Affairs, GoI.
Million	1,000,000.
NACH	National Automated Clearing House.
NBFC	Non-Banking Finance Company, as defined under applicable RBI guidelines.
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer.
NGO	Non-governmental organisations.
NSDL	National Securities Depository Limited.
“NR” or “Non-resident”	A person resident outside India, as defined under FEMA.
p.a..	Per annum.
PAN	Permanent Account Number.

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

#### **Business / Industry Related Terms**

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
ALCO	Asset Liability Management Committee.
ALM	Asset Liability Management.
AUM	Loans and Advances.
CAGR	Compounded Annual Growth Rate.
CCEA	Cabinet Committee on Economic Affairs
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPSU	Central Public Sector Undertaking.
CRAR	Capital to Risk Adjusted Ratio.
DISCOM Liquidity Package	The liquidity package for stressed power distribution utilities as announced by Ministry of Finance, the Government of India on May 13, 2020, revised from time to time.
DSCR	Debt Service Coverage Ratio
DSRA	Debt Service Reserve Account
ECL	Expected Credit Loss
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning.
DDUGJY	Deendayal Upadhyaya Gram Jyoti Yojana
Discom(s) or DISCOM(s)	Distribution company(ies)
DMS	Distribution Management System
DPE	Department of Public Enterprises, GoI.
Gross NPA	The non-performing portfolio loans outstanding (gross) as of the last day of the relevant period.
Gross NPA (%)	Percentage of the non-performing portfolio loans outstanding (gross) to gross credit exposure (total assets under management).
IFC	Infrastructure Finance Company.

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISO	International Organization for Standardization
ITP	Independent Transmission Projects
KYC	Know Your Customer.
MoP	Ministry of Power, Government of India
MU	Million Unit
MW	Megawatt
Net NPA	The non-performing portfolio loans outstanding (net) as of the last day of the relevant period i.e. non-performing portfolio loans outstanding (gross) as reduced by the provision for non-performing assets.
Net NPA (%)	Percentage of the non-performing portfolio loans outstanding (net after adjusting provision against NPA) to gross credit exposure.
NPA	Non-Performing Asset.
PPP	Purchasing Power Parity.
PSE	Public sector enterprise.
PSU	Public sector undertaking
PXIL	Power Exchange India Limited
R-APDRP	Restructured Accelerated Power Development and Reform Program
RE	Rural Electrification.
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RRB	Regional Rural Bank.
SCADA	Supervisory Control and Data Acquisition
SCB	Scheduled Commercial Bank
SEB	State Electricity Board
SERC	State Electricity Regulatory Commissions
SPU	State Power Utility
SPV	Special Purpose Vehicle
TRA	Trust and Retention Account
UDAY	Ujwal DISCOM Assurance Yojana
UMPP	Ultra Mega Power Projects

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Capital Structure*”, “*Statement of Tax Benefits*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation*”, and “*Issue Procedure*” beginning on pages 43, 62, 113, 129, 139, 150, 232 and 279 respectively, of this Shelf Prospectus will have the meanings ascribed to them in such sections.

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

### Certain Conventions

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

### Financial Data

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

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

The Government has introduced IND-AS pursuant to the “Convergence of its existing standards with IFRS”. Our Company is required to: (i) prepare its financial statements in accordance with IND-AS for periods beginning on or after April 1, 2018, and (ii) for the purposes of disclosure in this Shelf Prospectus, prepare and present our financial statements for the latest Fiscals (in this case, for Fiscal 2020 and Fiscal 2019) under IND-AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India and the SEBI Debt Regulations.

Our Company’s financial statements for the year ended and March 31, 2018, March 31, 2017 and March 31, 2016 have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, 2013, as applicable, and other applicable statutory and / or regulatory requirements. Our Company’s financial statements for the years ended March 31, 2020 and March 31, 2019 included in this Shelf Prospectus have been prepared in accordance with IND-AS, guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, 2013 as applicable and other applicable statutory and/or regulatory requirements. Our Company’s standalone and consolidated financial results for the quarter and half year ended on September 30, 2020 have been prepared in accordance with IND-AS. Accordingly, our financial statement for Fiscals 2020 and 2019 may not be strictly comparable to our historical financial statements.

Unless stated otherwise and unless the context requires otherwise, the financial data as at and for the six months period ended September 30, 2020 used in this Shelf Prospectus is derived from our Company’s Limited Review Financial Results. Further, unless stated otherwise and unless the context requires otherwise, the financial data used in this Shelf Prospectus as at and for the years ended March 31, 2020, 2019 is derived from Reformatted Audited Financial Information under IND-AS, and for the years ended March 31, 2018, 2017 and 2016 is derived from the Reformatted Audited Financial Information under IGAAP. Further, the financial data and numbers used in this Shelf Prospectus are under IND AS and IGAAP is not strictly comparable.

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

### Currency and Unit of Presentation

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

### Industry and Market Data

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

### Exchange Rates

The exchange rates Rupees (₹) vis-a-vis of USD, € and JPY, as of December 31, 2020, September 30, 2020 and March 31, 2020, 2019, 2018, 2017 and 2016 are provided below:

Currency	December 31, 2020	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
1 USD	73.05	73.80	75.39	69.17	65.04	64.84	66.33
1 Euro	89.79	86.57	83.05	77.70	80.62	69.25	75.10
100 JPY	70.84	69.91	69.65	62.52	61.54	57.96	59.06

Source: <https://www.fbil.org.in/#/home> and <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx> (under [www.rbi.org.in](http://www.rbi.org.in))

*In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

*“The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.”*



## FORWARD LOOKING STATEMENTS

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

- the impact of COVID-19 pandemic on the economy, our business and operations;
- concentration of lending to public sector borrowers and our ability to manage our asset portfolio quality;
- ability to recover value from or enforce security for loans provided;
- ability to maintain low effective cost of borrowing;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- growth prospects of the Indian power sector and related policy developments;
- changes in the demand and supply scenario in the power sector in India;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian and international markets;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business; and
- other factors discussed in this Shelf Prospectus, including under the section titled “*Risk Factors*” on page 15 of the Shelf Prospectus.

For further discussion of factors that could cause our actual results to differ please refer to the section titled “*Risk Factors*” on page 15 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Our Business*” on page 81 of the Shelf Prospectus. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

## SECTION II – RISK FACTORS

### RISK FACTORS

*Prospective investors should carefully consider the risks and uncertainties described below, in addition to other information contained in this Shelf Prospectus including “Our Business” and “Financial Information” on pages 81 and 150, respectively of this Shelf Prospectus and “Financial Statements” contained in Annexure C, of this Shelf Prospectus, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition, cash flows and result of operation could suffer, the trading price of the NCDs could decline, and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. Further, the risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.*

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

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

#### **A. RISKS IN RELATION TO OUR BUSINESS**

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

We are a Public Financial Institution (“PFI”) focused on financing of the power sector in India, which has a limited number and type of borrowers, primarily comprising of state power utilities (“SPUs”), many of which have been historically loss making. Our past exposure has been towards SPUs and state electricity boards, and future exposure is expected to be, concentrated towards SPUs. As of March 31, 2020, our government sector (including SPUs) and private sector borrowers accounted for 83.36% and 16.64% respectively, of our total outstanding loans. Historically, SPUs have had a relatively weak financial position and have in the past defaulted on their indebtedness. Consequently, we have had to restructure some of the loans sanctioned to certain SPUs, including rescheduling of repayment terms. In addition, many of our public sector borrowers, particularly SPUs, are susceptible to various operational risks including low metering at the distribution transformer level, high revenue gap, high receivables, low plant load factors and high AT&C losses, which may lead to further deterioration in the financial condition of such entities.

As of March 31, 2020, our total outstanding loans were ₹ 3,44,904.57 crore, of which, our single largest borrower accounted for 7.26% (₹ 25,044.63 crore) of our total outstanding loans, and our top five and top 10 borrowers accounted for, in the aggregate, 28.06% (₹ 96,791.37 crore) and 41.41% (₹ 1,42,833.26 crore), respectively, of our total outstanding loans. In addition, we have additional exposure to these borrowers in the form of non-fund based assistance. Our most significant borrowers are primarily public sector power utilities. Any negative trends, or financial difficulties, or inability on the part of such borrowers to manage operational, industry, and other risks applicable to such borrowers, could result in an increase in our non-performing assets (“NPAs”) and adversely affect our business, financial condition and results of operations. For further details of our NPAs, see the risk titled “– If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.”

**2. *Climate change and health epidemics could have a negative impact on the Indian economy and could cause our business to suffer and the trading price of the NCDs to decrease.***

A global outbreak of an infectious disease such as COVID-19 or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the NCDs to decrease.

The outbreak of a pandemic or an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, around the world could have a negative impact on economies, financial markets and business activities worldwide and which in turn could have a material adverse effect on our business, financial condition and results of operations.

Since December 2019, there is an ongoing outbreak of the 2019 novel coronavirus (COVID-19) which has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, including India, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with any resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets and/or may result in a global recession and may adversely impact our operations, revenues, cashflows and profitability. In particular, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

A lockdown to contain the spread of COVID-19 was imposed in India from March 24, 2020 to May 31, 2020 and services being resumed in phased manner since June 2020. The lockdown forced factories, shops and offices in India to close down, resulting in a fall in power consumption, as industrial, trading, construction and many other economic activities have remained largely suspended. As a result, we may face or have faced delays associated with collection of payments from our clients, which are in the power

infrastructure sector, due to such lockdown or economic slowdown caused by COVID-19, which may adversely affect our cashflows. This may be coupled with difficulty in accessing sources of financing as a consequence of volatility in domestic and international markets and/or a global recession. Further, we may also be required by the Government of India to provide loans to our clients at reduced rates, and/or restructure our loans to, or agree to moratoriums with them.

For instance, the RBI permitted all commercial banks, co-operative banks, all-India financial institutions, and non-banking financial companies (including housing finance companies) to grant a moratorium of three months in respect of term loans made by them, on payment of all “instalments” falling due between March 1, 2020 and May 31, 2020. RBI vide its circular (RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20) dated May 23, 2020 further extended moratorium by three months till August 31, 2020. In accordance with the moratorium policy, an amount of ₹ 20,557 crore falling due between March 1, 2020 and August 31, 2020 has been granted moratorium by our Company.

Also, to facilitate liquidity flow in the power sector, Government of India gave a mandate to our Company and REC, our Subsidiary, for disbursing Rs. 90,000 crore to power distribution companies to cover outstanding dues of DISCOMs up to March 31, 2020. Further, vide notification dated September 2, 2020, GoI has mandated extension of the funding amount to cover outstanding dues of DISCOMs up to June 30, 2020. The loans disbursed will be backed by guarantee given by respective State Governments. Upto December 31, 2020, the Company has sanctioned an amount of ₹ 59,067 crores under the DISCOM Liquidity Package. However, there can be no guarantee that we will be able to recover amounts lent under this scheme or that guarantees provided by the State Governments will be enforced or paid out.

At this point, the extent to which COVID-19 may impact us is uncertain. However, the aforementioned factors and any other measures, which may be announced by the Government of India or the RBI, may have an adverse effect on our operating results, businesses, assets, financial condition, performance or prospects.

We cannot predict the duration or scope of the COVID-19 pandemic or when operations will cease to be affected by it. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, including those relating to cash flows.

We can give no assurance that the ongoing situation caused by the COVID-19 pandemic or a future outbreak of an infectious disease among humans or animals (if any) or any other serious public health concern will not have a material adverse effect on our business, financial condition and results of operations and potentially cause the trading price of the NCDs to decrease.

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

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, we have not obtained such security or collateral for all our loans. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected in accordance with the policy of the Company. There can be no assurance that any security or collateral that we have obtained will be adequate to cover repayment of our loans or interest payments thereon or that we will be able to recover the expected value of such security or collateral in a timely manner or recover at all. As of March 31, 2020, 62.05% of our outstanding loans were secured, 21.05% were unsecured (but guaranteed by banks or governments), and 16.91% were unsecured.

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

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

The Stressed Asset Framework mandates higher provisioning if Resolution Plan is not implemented within a stipulated time period. Certain projects have been driven to NCLT, which may or may not require a significant hair-cut. The resolution under NCLT is required within a time span of 180 days, extendable further for 90 days. Considering these timelines, it is envisaged that the resolution of these stressed projects may not happen in the near future, and the Company may have to take haircuts at the time of resolution of these stressed assets. Once resolution process is complete, the funds realized from the sale of these assets will be reinvested at the prevailing rate which may be lower and will have an impact on the Company’s financials going forward. Though, Company would start getting revenues on such amount as compared to no income is being booked on such assets as of now. The Company faces the risk of higher provisioning and significant haircuts, wherever its projects fall under the ‘stressed assets’ category. Further, the Stressed Asset Framework has repealed the earlier issued instructions of the RBI on resolution of stressed assets such as the framework for revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring scheme (“**SDR**”), change in ownership outside SDR and scheme for sustainable structuring of stressed assets (“**S4A**”). Accordingly, the Stressed Assets Framework will impact our asset quality and profitability.

For a further summary please see the section titled “*Regulations and Policies*” on page 113 of this Shelf Prospectus.

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

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

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

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

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

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

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

Our interest rate margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. Our cost of funds (ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized) raised as on March 31, 2020 is 7.79%. However, we may not be able to maintain the same during subsequent periods without raising funds from debt market through various concessional debt issues. While we have generally been able to pass on the increased cost of funds to our customers over this period, we may not be able to continue to do so in future. In the event we were to suffer a decline in interest rate margins, we would be required to increase our lending activity in order to maintain our then current profit level. However, there can be no assurance that we will be able to do so and we may suffer reduced profitability or losses. In the event our interest rate margins decrease, the same may adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

In addition, the RoC had asked our Company to furnish certain documents and details including details of the issue on infrastructure bonds including the objects of raising such funds, utilization of funds raised through the issue, unutilized amount and where such utilized amounts been invested, among others. Our Company gave a detailed response on August 30, 2013 to the RoC order, explaining with reasons and documents *inter alia* that there were no contraventions of the provisions of Companies Act, 1956 or Accounting Standards, nor are there was any wilful misstatement, the classification of the assets as standard was in accordance with the prudential norms of our Company, non-creation of deferred tax liability on special reserve was in line with the letter dated June 2, 2009 of the Accounting Standard Board of the ICAI. Further, the details of issues of infrastructure bonds were also furnished in our letter dated August 30, 2013. RoC, vide letter dated October 10, 2014 forwarded their comments to MoP on our response and clarification, who in turn had asked for the comments of our Company, vide MoP letter dated October 31, 2014. Our Company had furnished reply to MoP on December 12, 2014. The MoP, vide letter dated April 27, 2015 asked our Company to place the observations of the RoC before the Board of our Company. The Board had considered and ratified our Company’s reply dated August 30, 2013 to the RoC order. This was informed to MoP vide our letter dated June 2, 2015. Thereafter, there was no further query or communication from RoC. For further details please refer to the section titled “*Outstanding Litigations*” on page 232 of the Shelf Prospectus.

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

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

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

Our Company is a financial institution focused on providing financial and other assistance and related services to power sector projects. Power sector projects, particularly power generation projects, typically involve long gestation periods before they become

operational and involve various project-specific risks as well as risks that are generally applicable to the power sector in India. Many of these risks applicable to power sector projects that our Company finances are beyond our control and include:

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

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

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

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

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

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

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



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

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

We may face potential liquidity risks due to mismatches in our funding requirements and the financing we provide to our borrowers. In particular, a significant part of our business is funded through borrowing that have shorter maturities than the maturities of substantially all of our new loan assets. Our long-term loan assets represented 96.82% of total loan assets as of March 31, 2020, while our long-term borrowing represented 99.33%, of our Company's total borrowing as of such date. Our Company's financial products also have maturities that exceed the maturities of its borrowing.

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

Our company has put in place an Asset Liability Management System and constituted an ALCO headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on quarterly basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates.

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

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

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

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

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

All the directors of our Company are appointed by the President of India as per the Articles of our Company. As on the date of this Shelf Prospectus, our Company's Board comprises of five Directors which includes three whole time functional directors, one Government Nominee Director and one independent director. Since appointment of directors is undertaken by the GoI, and is beyond the control of our Company, we are not in compliance with certain corporate governance requirements envisaged under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, each as amended.

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

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

Stock Exchange	Letter dated	Penalty amount (in ₹)
BSE	May 2, 2019	7,43,400
NSE	19 <sup>th</sup> August, 2019	6,37,000
BSE	19 <sup>th</sup> August, 2019	6,37,000
NSE	1 <sup>st</sup> November, 2019	5,48,000
BSE	31 <sup>st</sup> October, 2019	5,48,000
NSE	3 <sup>rd</sup> February, 2020	4,60,000
BSE	3 <sup>rd</sup> February, 2020	4,60,000
NSE	2 <sup>nd</sup> July, 2020	4,55,000
BSE	3 <sup>rd</sup> July, 2020	4,55,000
NSE	20 <sup>th</sup> August, 2020	4,55,000
BSE	20 <sup>th</sup> August, 2020	4,55,000
NSE	17 <sup>th</sup> November, 2020	4,60,000
BSE	17 <sup>th</sup> November, 2020	4,60,000

We filed our representations to both NSE and BSE, explaining the reasons for such non-compliance and have requested withdrawal of such fines on account of the fact that the GoI appoints directors of our Company. Subsequently, BSE has vide its email dated September 24, 2020 waived the fines levied on our Company for non-compliance under Regulations 17 and 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1<sup>st</sup> July, 2018 to 30<sup>th</sup> June, 2020.

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

Further, RoC issued a show cause notice dated June 18, 2015 under Section 172 of the Companies Act, 2013 to PFCGEL (our erstwhile Subsidiary) and its directors who were also our Company's then functional directors, i.e. Mr. Mukesh Kumar Goel, CMD, Mr. Radhakrishnan Nagarajan, Director (Finance) and Mr. Anil Kumar Agarwal, Director (Projects), for not appointing a woman director on its board of directors, in terms of provisions of section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014. On July 1, 2015, PFCGEL and its directors filed a reply to RoC. While no further communication has been received from RoC, our Company cannot assure you that no further action will be taken, or the levy of fine or penalty will be imposed by RoC in this regard. For further details, please refer to section titled "Outstanding Litigation" on page 232 of this Shelf Prospectus.

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

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

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

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

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

of customer relationships and/or connections. Any of these factors could have a material and adverse effect on our business, financial condition, results of operations, performance and/or prospects.

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

As on December 31, 2020, our Promoter held 55.99% stake in the equity share capital of our Company. As a result, the President of India, acting through the MoP, will continue to exercise significant control over our Company. The President also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. Our Promoter may take or block actions with respect to our Company's business, which may conflict with our Company's interests or the interests of our Company's minority shareholders. By exercising its control, the Promoter could delay, defer or cause a change of our Company's control or a change in our Company's capital structure, or a merger, consolidation, takeover or other business combination involving our Company, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, as long as the Promoter continues to exercise control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interest of our Company's other shareholders and may take positions with which our Company or our Company's other shareholders may not agree. In addition, the Promoter significantly influences our Company's operations both directly and indirectly through its various departments and policies in relation to the power industry generally. In particular, given the importance of the power industry to the economy, the Promoter could require our Company to take action designed to serve the public interest in India and not necessarily to maximise our Company's profits.

**14. *The shareholding of Government may come below 51% in our Company that may result in a change in control of our Company.***

Whilst the Government's shareholding in our Company equals or exceeds 51%, our Company will continue to be classified as a Government company and will be subject to various regulations, regulatory exemptions and benefits generally applicable to public sector companies in India. As of the date of this Shelf Prospectus, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51% shareholding in our Company or a merged entity (subsequent to any merger, including any potential merger with REC, our Subsidiary).

The Cabinet Committee on Economic Affairs (CCEA) has given in-principle approval on November 20, 2019 for reduction of GoI's paid-up share capital below 51% in select CPSEs in India while retaining management control on a case to case basis, taking into account the GoI's shareholding and the shareholding of GoI controlled institutions. The Department of Investment and Public Asset Management (DIPAM) is in the process of deciding the CPSEs for this purpose. Therefore, the Government may sell all or part of its shares in our Company, which may result in a change in control of our Company and which may, in turn, disqualify our Company from benefiting from certain regulatory exemptions and other benefits that may be applicable to our Company due to it being a public sector company. If a change of control were to occur, our Company cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding NCDs or repay such loan, which are required to be purchased / repaid as per their respective finance covenants, as the source of funds for any such purchase/repayment will be the available cash or third party financing which our Company may not be able to obtain at that time.

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

Our Company has put in place an asset liability management system and constituted an ALCO headed by Director (Finance), which monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on quarterly basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates. Our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested in financial instruments as per the policy which includes short-term deposits with banks and debt oriented liquid mutual funds etc.

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

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

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

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, we follow applicable provisions of RBI prudential norms for "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies", as notified & modified from time to time. In addition, as a GoI-owned NBFC, loans made by our Company to central and state entities in the power sector are exempt from the RBI's Concentration of Credit (exposure) norms that are applicable to other non-GoI-owned NBFCs until March 31, 2022.

Although our Company follows various risk management policies and procedures, our Company may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risks. The Company's revenues and

interest rate risk are dependent upon its ability to properly identify, and mark-to-market, changes in the value of financial instruments caused by changes in market prices or rates. Our Company's earnings are dependent upon its effectiveness in managing credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for loan losses. To the extent its assessments, assumptions or estimates prove inaccurate or are not predictive of actual results, our Company could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing our Company's liquidity risk because it affects the evaluation of our Company's credit ratings by rating agencies. Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) "CRISIL AAA/Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) "[ICRA]AAA" rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) "[ICRA]A1+" rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) "CARE AAA; Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) "CARE A1+" rating in relation to our Commercial paper issue, for a limit of ₹ 20,000 crore. International credit rating agencies Moody's and Fitch have granted our Company, the following ratings – (i) Moody's has granted us a long term local and foreign currency issuer rating of "Baa3 Negative", (ii) Fitch has granted us long-term foreign currency issuer default rating of "BBB-/ Negative". Since our sources enable us to raise funds at a competitive cost, we believe we are able to price our financial products competitively. However, rating agencies may reduce or indicate their intention to reduce the ratings at any time and there can be no assurance that our Company may not experience such downgrade in the future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our Company's ratings. Any reduction in the rating by the domestic rating agencies below the level of "A" (adequate safety) or equivalent or withdrawal of our Company's ratings by domestic rating agencies may make our Company ineligible to remain classified as an IFC, increase our Company's borrowing costs, limit our Company's access to capital markets and adversely affect our Company's ability to sell or market its products, engage in business transactions, particularly longer- term and derivatives transactions, or retain its customers. This, in turn, could reduce our Company's liquidity and negatively impact our Company's financial condition and results of operations.

**16. Our Company may in the future conduct additional business through joint venture(s) and strategic partnerships, exposing our Company to certain regulatory and operating risks.**

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

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

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

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

Some of our Directors have interests in other companies, which are in businesses similar to ours, which may result in potential conflicts of interest. Potential conflicts of interest may arise out of common business objectives shared by us and our Directors and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner or at all. For further details, please refer to the section "Our Management" beginning on page 139 of this Shelf Prospectus.

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

The following table sets forth information with respect to our historical cash flows (on standalone basis), including certain negative cash flows for Fiscals 2016, 2017, 2018, 2019 and 2020:

(₹ in crore)

Particulars	As of March 31				
	2016	2017	2018	2019	2020
	IGAAP	IGAAP	IGAAP	Ind AS	Ind AS
Net cash from operating activities	(13316.41)	2086.54	(27,528.34)	(44,499.69)	(10,025.55)
Net cash from investing activities	(1,878.41)	(475.22)	1,138.18	(13,819.57)	1,555.92
Net cash from financing activities	10,203.44	1,475.36	23,813.13	58,091.65	8,342.06
Net increase/(decrease) in cash and cash equivalents	(4,991.38)	3,086.68	(2,577.03)	(227.62)	(127.57)

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

However, after taking into account all the cash flows, there is positive cash and cash equivalents balance at the end of Fiscals 2016, 2017, 2018, 2019 and 2020, as below.

Particulars	Amount (₹ in crore)
Fiscal 2016	28.06
Fiscal 2017	3,114.74
Fiscal 2018	537.71
Fiscal 2019	310.09
Fiscal 2020	182.52

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

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

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

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

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

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

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

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

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

result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our Company's business and results of operations.

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

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

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

As of March 31, 2020, ₹ 57,390.79 crore or 16.64% of our total outstanding loans were to private sector borrowers. Under the terms of our loans to private sector borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. We intend to increase our exposure to private sector borrowers in the future. The ability of such borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers' control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

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

Our Company uses escrow accounts as a credit enhancement mechanism for certain of its public sector borrowers that do not meet certain of its credit risk criteria. As of March 31, 2020, 87.89% of our outstanding loans to state and Central sector borrowers involved escrow account mechanism. Similarly, in the case of private sector borrowers, security is typically obtained through a first priority *pari passu* charge on the relevant project assets, and through a trust and retention account mechanism.

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

**25. *Accounts for the quarter and six months ended September 30, 2020 for our Company have been subjected to limited review by statutory auditors, and have not been audited. Audited performance may be materially different from the present results.***

The latest audited financial statement included in this Shelf Prospectus are more than nine months old. In respect of remaining stub period, we have included limited review financial statements till September 30, 2020, which are compliant with the SEBI Listing Regulations. Limited review financials included in this Shelf Prospectus have not been subject to audit. The actual audited performance may be materially different from the limited review results. Therefore, the financials included in this Shelf Prospectus may not present the accurate picture of the present financial status of the Company.

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

Our Company is a party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities, and if determined against our Company, could have an adverse impact on the business, financial condition and results of operations of our Company. No assurances can be given as to whether these legal proceedings will be decided in our favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. For further details, please see section "Outstanding Litigation" on page 232 of this Shelf Prospectus.

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

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of hypothecation or mortgage or both. In addition, terms and conditions of the loan



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

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

The Company's business is primarily dependent on interest income from its lending operations, which contributed approximately 96.55%, 97.72% and 94.89% of its total income in Fiscal 2018, Fiscal 2019 and Fiscal 2020, respectively. In addition, as of March 31, 2020, 76.14% of our Company's borrowing were at fixed rates while the remaining were at floating rates (i.e., linked to the base rate and other market benchmarks), compared to 78.18% of our Company's loan assets which carry interest rates with three year reset clause. The primary interest rate-related risks our Company faces are from timing differences in the pricing of our Company's assets and liabilities, for example, in an increasing interest rate environment, our Company's liabilities are priced prior to its assets being priced, our Company may incur additional liabilities at a higher interest rate and incur a repricing risk, or in the event that there is an adverse mismatch between the repricing terms of our Company's loan assets and its loan liabilities. Interest rates are highly sensitive to many factors beyond our Company's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. When interest rates decline, our Company is subject to greater re-pricing and pre-payment risks as borrowers may take advantage of the attractive interest rate environment. If our Company re-prices loans, our Company's results may be adversely affected in the period in which the re-pricing occurs. If borrowers prepay loans, the return on our Company's capital may be impaired as any prepayment premium our Company receives may not fully compensate our Company for the redeployment of such funds elsewhere. In addition, while our Company sets the interest rate under its loans and also typically has the option to reset the rate to our Company's prevailing lending rates in accordance with the terms of the relevant loans, typically every three years or five years or ten years, this flexibility is also subject to the borrower's ability to prepay the loan and refinance with another lender. When interest rates rise, it results in an increase of interest rates for our Company's borrowing and given that a majority of our Company's loans are subject to three year re-set clauses, our Company may not be able to re-price the loans or increase the interest rates with respect to such loans during such period, which could have a material adverse effect on our Company's results of operations and financial condition. In addition, as a non-deposit taking NBFC, our Company may be more susceptible to such increases in interest rates than some of our Company's competitors such as commercial banks or deposit taking NBFCs that have access to lower cost funds. The Company's results of operations are therefore dependent on various factors that are indirectly affected by the prevailing interest rate and lending environment, including disbursement and repayment schedules for our Company's loans, the terms of such loans including interest rate reset terms as well as the currency of such loans and any exchange gains or losses relating thereto. In addition, the value of any interest rate hedging instruments our Company may enter into in the future may be affected by changes in interest rates. There can be no assurance that our Company will be able to adequately manage its interest rate risk and be able to effectively balance the proportion and maturity of its interest earning assets and interest bearing liabilities in the future. Although, our net interest margin has been at 3.47% in Fiscal 2018, 3.37% in Fiscal 2019 and 3.17% in Fiscal 2020, however, a decline in our net interest margin in the future can have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

In addition to above:

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

- IFCs may exceed the concentration of credit norms in:
  - lending to any single borrower, by 10% of its owned fund; and any single group of borrowers, by 15% of its owned fund;
  - in lending to and investing in (loans/investments taken together), a single party, by 5% of its owned fund; and a single group of parties, by 10% of its owned fund.

As of March 31, 2020, the CRAR of our Company was 16.96%. The exposure limits as prescribed by RBI are being followed by our Company in case of private sector borrowers. Any inability to continue being classified as an IFC may impact our growth plans by affecting our competitiveness. As an IFC, we will have to constantly monitor our compliance with the necessary conditions, which may hinder our future plans to diversify into new business lines. In the event we are unable to comply with the eligibility condition(s), we may be subject to regulatory actions by the RBI and/ or cancellation of our registration as an IFC. Any levy or fines or penalties or the cancellation of our registration as IFC may adversely affect our business prospects, results of operations and financial condition.

In addition, our ability to borrow from various banks may be restricted under guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. According to the RBI, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC should not exceed 10% of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC up to 15% of their capital funds provided the exposure in excess of 10% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, exposure of a bank to IFCs should not exceed 15% of its capital funds as per its last audited balance sheet, with a provision to increase it to 20% if the same is on account of funds on-lent by the IFCs to the infrastructure sector. Banks may also consider fixing internal limits for their aggregate exposure to the power sector put together. Although we do not believe such exposure limits have had any adverse effects on our own liquidity, however, any change in regulatory regime may result in a situation where individual lenders from whom we currently borrow may not be able to continue to provide us funds.

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

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

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

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

As of March 31, 2020, we had contingent liabilities and commitments amounting to ₹ 2,056.61 crore, including non-funded contingent exposure of ₹ 81.02 crore in the form of guarantees, ₹ 870.49 crore in the form of letters of comfort issued to borrowers' banks in connection with letters of credit, and other contingent liabilities and commitments of ₹ 1,105.10 crore. If any or all of these contingent liabilities materialize, our financial condition could be adversely affected.

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

In the past, our non performing assets (under IGAAP) or gross Stage III Assets (under Ind AS) have been as indicated below:

Particulars as of	Amount of NPA / gross Stage III Assets (₹ in crore)	As a % of total loan assets
March 31, 2016 (IGAAP)	7,519.04	3.15
March 31, 2017 (IGAAP)	30,702.21	12.50
March 31, 2018 (IGAAP)	26,702.67	9.57
March 31, 2019 (Ind AS)	29,540.31	9.39
March 31, 2020 (Ind AS)	27,871.70	8.08

We have made provisioning for Stage III assets or non-performing assets in terms of prudential norms approved by our Board and in accordance with applicable accounting standards issued from time to time. In addition, we may, from time to time, amend our policies and procedures regarding asset classification of our loans in accordance with prudential norms, which may increase our Stage III assets. Additionally, the Companies (Indian Accounting Standards) Rules, 2015, as amended, has with effect from April 1, 2019 introduced classification of previously termed non-performing assets or NPAs as Stage III Assets. Further, in terms of the Stressed Asset Framework, failure to resolve stressed assets in a timely manner may lead to higher provisioning being made for such stressed assets. This in turn may adversely affect our Stage III assets. There can be no assurances that the classification norms for our loans would not be subject to further change in the future, including on account of changes to accounting policies. Any further changes in classification or provisioning norms may require additional provisions to be made in our accounts and additional actions to be taken by us, which we may not be able to in a timely manner or at all. Failure to comply with such norms may subject us to penalties. Additionally, if we are not able to prevent increases in our level of Stage III assets, our business and our future financial condition could be adversely affected.

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

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

We are subject to periodic inspection by the RBI under Section 45N of the RBI Act, pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. RBI, in its last inspection report for the period 2017-18 and 2018-19, has indicated certain observations with respect to, *inter alia*, asset quality, liquidity ratio, management and other supervisory concerns, etc. We have responded to all the observations of RBI and as on date, no penalties have been levied by RBI. Further, as on September 30, 2020, RBI inspection for the period 2019-20 had not been conducted. We cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

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

We are a Government company operating in a regulated industry, and the GoI (being a principal shareholder holding 55.99% as on December 31, 2020, of our paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to our operations, including with respect to the appointment and removal of members of our Board, and can determine various corporate actions that require the approval of our Board or majority shareholders, including proposed budgets, transactions with other Government companies or GoI entities and agencies, and the assertion of any claim against such entities. The GoI has also issued directions in connection with the payment of dividends by Government companies.

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

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

As of March 31, 2020, we had foreign currency borrowing outstanding of USD 5,711 million, JPY 65,448 Million and EUR 11 Million, the total of which was equivalent to ₹ 47,700.79 crore or 15.71% of our total borrowing. We may continue to be involved in foreign currency borrowing and lending in the future, which will further expose us to fluctuations in foreign currency rates. Our Company has put in place a currency risk management ("CRM") policy, to manage risks associated with foreign currency borrowing. However, there is no assurance that it will remain effective over a period of time. Our Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap, interest rate swap and forward rate agreements. As of March 31, 2020, we had entered into hedging transaction to cover 66% of our foreign currency principal exposure having residual maturity period of up to five years. Volatility in foreign exchange rates could adversely affect our business and financial performance. We are also affected by adverse movements in foreign exchange rates to the extent they impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

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

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

Pursuant to the notification regarding bifurcation of State of Andhra Pradesh and Telangana, the final transfer scheme is yet to be notified, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest and principal is being segregated inter-se by the utilities of the two states on an ad hoc basis and the respective portions are being paid by utilities in the states of Telangana and Andhra Pradesh. The loans given by us to the state utilities of the erstwhile unified state of Andhra Pradesh, prior to the bifurcation, continue to remain secured by the assets created out of the said loans and the said loans continue to remain secured until the bifurcated states perform the actions required to be done as per the

bifurcation scheme. Any difficulties in the transfer of assets between the states of Andhra Pradesh and Telangana, may lead to imperfection of the security for loans granted by us and may also inflict difficulties in us enforcing such security at subsequent stages, if required.

Further, after the bifurcation of the State of Jammu & Kashmir into two Union territories, Jammu & Kashmir and Ladakh, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated October 23, 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

Any such failure to perfect security creation, may affect our ability to recovery amounts lent under such facilities and such failure to recover amounts may adversely affect our financial condition.

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

Our total loan assets increased from ₹ 3,14,666.93 crore as of March 31, 2019 to ₹ 3,44,904.57 crore as of March 31, 2020. We intend to continue to grow our business, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

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

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

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

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

We have been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. As of September 30, 2020, we have incorporated 19 wholly-owned SPVs as subsidiaries or deemed subsidiaries for these projects, out of which four SPVs were transferred to the successful bidders. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals, including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. Our Company has and is likely to continue to incur expenses in connection with these SPVs. There may be delays in the development of such UMPPs or we may be unable to transfer these UMPPs due to various factors, including environmental issues, resistance by local residents, changes in related laws or regulatory frameworks, or our inability to find a developer for such projects. In addition, we may not be able to fully recover our expenses from the successful bidder, which may result in financial loss to us, which could adversely affect our financial condition and results of operations.

**39. *Our agreements regarding our joint venture arrangement or investments in other companies contain restrictive covenants, which limit our ability to transfer our shareholding in such ventures.***

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

shareholding for sale to third parties. Such covenants limit our ability to make optimum use of our investments or exit these joint ventures and thereby liquidating our investments at our discretion, which may have an adverse impact on our financial condition.

For details of our Joint Venture, please refer to section titled “*History and Certain Corporate Matters*” on page 129 of this Shelf Prospectus.

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

We have received and currently receive tax benefits by virtue of our status as a lending institution, including our lending within the infrastructure sector, which have enabled us to reduce our effective tax rate. In Financial Years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20, our effective tax liability, calculated on the basis of our tax liability (excluding deferred taxes) as a percentage of taxable profit before deductions mentioned above, was 26.65%, 27.56%, 27.06%, 27.14% and 18.89%, respectively, compared to statutory corporate tax rates (including surcharge and cess) of 34.61%, 34.61%, 34.61%, 34.94% and 25.17%, respectively in such periods. The availability of such tax benefits is subject to the policies of the GoI, and there can be no assurance to any or all of these tax benefits that we will receive or continue to receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase/ decrease, which may have an impact on our financial condition and results of operations.

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

We may make equity investments in the power sector either directly or indirectly. As of March 31, 2020, our investments in equity and equity linked instruments were valued at ₹ 15,488.54 crore. For example, on March 28, 2019, we acquired a 52.63% equity stake in REC Limited from the GoI. The value of these investments depends on the success and continued viability of these businesses. In addition to the project-specific risks described in the above risk factors, we have limited control over the operations or management of these businesses. Therefore, our ability to realize expected gains as a result of our equity interest in a business is highly dependent on factors outside our control. Write-offs or write-downs in respect of our equity investments may adversely affect our financial performance.

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

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

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

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

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

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

We have entered and may enter into transactions with related parties, including our Directors. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest. For details of related party transactions in the last five financial years, please refer to section titled “*Annexure C – Financial Statement*” beginning on page 379 of this Shelf Prospectus.

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

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

We maintain insurance for our physical assets such as our office and residential properties against standard fire and special perils (including earthquake). In addition, we maintain a group personal accident insurance as well as Directors' and officers' insurance

policy. However, the amount of our insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

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

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

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

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

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

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

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution, and imposes financial obligations on employers. This makes it difficult for our Company to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect our Company's business and profitability. Our Company has a registered trade union under the Trade Unions Act, 1926. Although our Company considers its relations with its employees to be stable, as on December 31, 2020 4.67% of our employees are unionised and although our Company has not lost any time on account of strikes or labour unrest to date, our Company's failure to effectively negotiate with union or other legitimate union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on our Company's business, financial condition and results of operations.

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

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

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

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

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

One of our Subsidiaries provides consultancy services and undertakes execution of consultancy assignments in the power sector for its clients. For these purposes, it also engages external consultants. Our Company also engages external consultants in the course of

its business to assist in the conduct of the bidding process, among others. In the event that any acts or omissions of these external consultants may result in professional negligence or breach of contract, our Company may become liable to its clients or third parties for the acts or omissions of such external consultants, which could have an adverse effect on our Company's business, financial condition and results of operations.

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

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

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

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

**B. RISKS RELATING TO THE INDIAN ECONOMY**

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

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

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

A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The International Monetary Fund has provided a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

**C. RISKS RELATING TO THE NCDs**

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

The NCDs have no established trading market. There can be no assurance that an active market for the NCDs will develop or be sustained. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar

securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

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

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

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

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

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

CRISIL has assigned a rating of “CRISIL AAA/Stable” to the long term borrowing programme of our Company for an amount up to ₹ 98,000 crore for Fiscal 2021 *vide* its letter dated January 08, 2021. ICRA has assigned a rating of AAA to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount up to ₹ 98,000 crore for Fiscal 2021, by its letter dated January 06, 2021. CARE has assigned its rating of “CARE AAA; Stable” to the long term borrowing programme of our Company, for an amount up to ₹ 98,000 crore for Fiscal 2021, by its letter dated January 07, 2021. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt. For the rationale for these ratings, see Annexure A of this Shelf Prospectus.

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

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

**71. *The NCDs are not guaranteed by the Republic of India.***

The NCDs are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 55.99% of our Company’s issued and paid up share capital as of December 31, 2020, the Government is not providing a guarantee in respect of the NCDs. In addition, the Government is under no obligation to maintain the solvency of our Company. Therefore, investors should not rely on the Government ensuring that our Company fulfils its obligations under the NCDs.

**72. *Legal investment considerations may restrict certain investments***

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

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

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

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

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

**75. *The Issuer, being a listed company is not required to maintain debenture redemption reserve (“DRR”).***

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange Limited. Pursuant to Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

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## SECTION III - INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956 and was granted a certificate of commencement of business on December 31, 1987. We were incorporated by the GoI in order to finance, facilitate and promote power sector development in India with the President of India, acting through the MoP, holding 100% of our paid-up equity share capital at the time of incorporation. The President of India, acting through the MoP, held 55.99% of our paid-up Equity Share capital as on December 31, 2020. For further details, see the section titled “*History and Certain Corporate Matters*” on page 129 of this Shelf Prospectus.

#### Registered Office and Corporate Office

‘Urjanidhi’,  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi - 110 001, India.  
Telephone: + 91 11 2345 6000  
Facsimile: + 91 11 2341 2545  
Website: [www.pfcindia.com](http://www.pfcindia.com)

#### Registration

Details	Registration/Identification number
CIN	L65910DL1986GOI024862
NBFC-ND-IFC registration certificate number, under section 45 IA of the RBI Act	B-14.00004
LEI Number	3358003Q6D9LIJZ1614

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

For information on the Company’s main objects, please see the section titled “*History and Certain Corporate Matters – Main Objects*” on page 131 of this Shelf Prospectus. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled “*Material Contracts and Documents for Inspection*” beginning on page 319 of this Shelf Prospectus.

#### Liability of the members of the Company

Limited by shares.

#### Address of the Registrar of Companies

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

#### Director (Finance)\*

Mrs. Parminder Chopra  
‘Urjanidhi’,  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi - 110 001, India.  
Telephone: +91 1123456912  
Facsimile: 011-2345685  
Email: [Parminderchopra@pfcindia.com](mailto:Parminderchopra@pfcindia.com)

*\*The Director (Finance) as part of her role carries out the functions of the chief financial officer.*

#### Company Secretary of the Company

Mr. Manohar Balwani  
‘Urjanidhi’  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi - 110 001, India.  
Telephone: +91 11 2345 6749  
Facsimile: 011-23456749  
E-mail: [mb@pfcindia.com](mailto:mb@pfcindia.com)

#### Compliance Officer of the Company

Mr. Manohar Balwani  
‘Urjanidhi’  
1, Barakhamba Lane,

Connaught Place,  
New Delhi - 110 001, India.  
Telephone: +91 11 2345 6749  
Facsimile: 011-23456749  
E-mail: mb@pfcindia.com

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

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove..

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

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

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

#### Lead Managers to the Issue

<p><b>Trust Investment Advisors Private Limited</b> 109/110, Balarama, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India. Telephone: +91 22 4084 5000 Facsimile: +91 22 4084 5066 Email: trust.pfc2020@trustgroup.in Investor Grievance E-mail: customer-care@trustgroup.in Website: www.trustgroup.in Contact person: Ms. Hetal Sonpal SEBI Registration No.: INM000011120 Compliance Officer: Mr. Ankur Jain CIN: U67190MH2006PTC162464</p>	<p><b>A. K. Capital Services Limited</b> 30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: +91 22 6754 6500 / +91 22 6634 9300 Facsimile: +91 22 6610 0594 Email: pfcncd2020@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co. in Website: www.akgroup.co.in Contact person: Ms. Aanchal Wagle / Mr. Lokesh Shah Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881</p>
<p><b>JM Financial Limited</b> 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Telephone: +91 22 6630 3030 Facsimile: +91 22 6630 3330 Email: PFC.bondissue2020@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact person: Ms. Prachee Dhuri Compliance Officer: Mr. Sunny Shah SEBI Registration No.: INM000010361 CIN: L67120MH1986PLC038784</p>	<p><b>Edelweiss Financial Services Limited</b> Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098 Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email: pfcbond2019@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641</p>

#### Consortium Members / Members of the Consortium

As included in the relevant Tranche Prospectus.

#### Debenture Trustee

##### Beacon Trusteeship Limited

4 C & D, Siddhivinayak Chambers, opposite MIG Cricket Club,  
Bandra (East), Mumbai 400 051  
Telephone: +91 22 2655 8759  
Email: compliance@beacontrustee.co.in  
Investor Grievance Email:investorgrievances@beacontrustee.co.in  
Website: www.beacontrustee.co.in  
Contact Person: Mr. Vitthal Nawandhar  
SEBI Registration No.: IND000000569

CIN: U74999MH2015PLC271288

A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Trustees for the Debenture Holders is annexed as Annexure B to this Shelf Prospectus.

### Registrar to the Issue

#### **KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)**

Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally  
Hyderabad Rangareddy, Telangana 500 032  
Telephone: +91 40 6716 2222  
Facsimile: +91 40 2343 1551  
Email: pfc.ncd2020@kfintech.com  
Investor Grievance Email: einward.ris@kfintech.com  
Website: www.kfintech.com  
Contact Person: Mr. M. Murali Krishna  
SEBI Registration No.: INR000000221  
CIN: U72400TG2017PTC117649

KFin Technologies Private Limited has by its letter dated December 2, 2020 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

### Statutory Auditors

#### **M/s Gandhi Minocha & Co.**

Chartered Accountants  
B-6, Shakti Nagar Extension, New Delhi – 110052  
Tel: 011 -27303078  
Email: manojbhardwaj@gandhiminocha.com  
ICAI Firm Registration No. 000458N  
Contact person: CA Manoj Bhardwaj

Appointment date: August 10, 2020  
Term: FY 2020-21

#### **M/s Dass Gupta & Associates**

Chartered Accountants  
B-4, Gulmohar Park, New Delhi- 110049  
Tel: 011-46111000  
Email: [admin@dassgupta.com](mailto:admin@dassgupta.com)  
ICAI Firm Registration No. 000112N  
Contact person: CA Naresh Kumar

Appointment date: August 10, 2020  
Term: FY 2020-21

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

### Legal Counsel to the Issue

J. Sagar Associates  
Sandstone Crest, Opposite Park Plaza Hotel  
Sushant Lok - Ph 1  
Gurugram 122 009  
Tel: + 91 124 4390600  
Facsimile: +91 124 439 0617

### Bankers to the Company

<b>State Bank of India</b> Jawahar Vyapar Bhawan, Ground Floor, STC building, Delhi-110001 Tel: 011-23374941 Email: <a href="mailto:sbi.06199@sbi.co.in">sbi.06199@sbi.co.in</a> Website: <a href="http://www.sbi.co.in">www.sbi.co.in</a> Contact person: Ms Swasti Jain	<b>ICICI Bank Limited</b> ICICI Bank Tower, NBCC Place. Bhishm Pitahma Marg, Pragati Vihar, New Delhi-110003 Tel: 011-30278360 Fax: 011-24390070 Email: <a href="mailto:sunil.rathi@icicibank.com">sunil.rathi@icicibank.com</a> Website: <a href="https://www.icicibank.com">https://www.icicibank.com</a> Contact person: Mr. Sunil Rathi
<b>HDFC Bank Limited</b> HDFC Bank Ltd., 3 <sup>rd</sup> Floor, B-6/3 Safdarjung Enclave, DDA Commercial complex, Opp. deer park, New Delhi- 110029 Tel: 011-41392243 Fax: 011-41392000 Email: <a href="mailto:anchal.garg@hdfcbank.com">anchal.garg@hdfcbank.com</a> /ashutosh.kumar@hdfcbank.com Website: <a href="https://www.hdfcbank.com">https://www.hdfcbank.com</a> Contact person: Mr. Anchal Garg/Mr. Ashutosh Kumar	

### Public Issue Account Bank

As specified in the relevant Tranche Prospectus.

### Sponsor Bank

As specified in the relevant Tranche Prospectus

## Refund Bank

As specified in the relevant Tranche Prospectus.

## Underwriting

This Issue shall not be underwritten.

## Arrangers

There are no arrangers to the Issue

## Credit Rating Agencies

CARE RATINGS LIMITED	CRISIL LIMITED
13 <sup>th</sup> Floor, E-1, Block Videocon Tower Jhandewalan Extension New Delhi 110 055 Tel: +91 11 4533 3200 Fax: (+91 11) 4533 3238 Website: <a href="http://www.careratings.com">www.careratings.com</a> E-mail: shubha.bhanu@careratings.com Contact Person: Ms. Shubha Bhanu SEBI Registration No: IN/CRA/004/1999	CRISIL House Central Avenue, Hiranandani Business Park Powai Mumbai 400 076 Tel: +91 22 3342 3000 Fax: +91 22 3342 3050 Website: <a href="http://www.crisil.com">www.crisil.com</a> Email: crisilratingdesk@crisil.com Contact Person: Mr. Krishnan Sitaraman SEBI Registration Number: IN/CRA/001/1999
ICRA LIMITED	
1105, Kailash Building 11 <sup>th</sup> Floor, 26, Kasturba Gandhi Marg New Delhi 110 001 Tel: +91 11 23357940/50 Fax: +91 11 23357014 Website: <a href="http://www.icra.in">www.icra.in</a> E-mail: shivakumar@icraindia.com Contact Person: Mr. L. Shivakumar SEBI Registration No: IN/CRA/008/15	

## Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated “CARE AAA; Stable” by CARE; ‘CRISIL AAA/Stable’ by CRISIL; and ‘[ICRA]AAA(Stable)’ by ICRA for an amount of upto ₹ 98,000 crore vide their letters dated January 07, 2021, January 08, 2021 and January 06, 2021 respectively. The rationales for the credit rating issued by CARE, CRISIL and ICRA were provided on April 17, 2020, March 29, 2020 and April 01, 2020 respectively. The ratings provided by CARE, ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please refer to Annexure A for the rating letters and the rationale for the above ratings.

## Credit Rating Agency Disclaimer

### Disclaimer clause of ICRA

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

### Disclaimer clause of CRISIL

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

### Disclaimer clause of CARE



CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information, most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

### **Expert Opinion**

Except for the consent of (i) the Statutory Auditors dated December 30, 2020, to include their respective names as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013, in relation to their examination reports, each dated December 30, 2020, on Reformatted Consolidated Financial Information under IGAAP, the Reformatted Consolidated Financial Information under IND-AS, the Reformatted Standalone Financial Information under IND-AS, Reformatted Standalone Financial Information under IGAAP; (ii) the limited review report dated November 12, 2020, on the Limited Review Financial Results; and (iii) the Statutory Auditors for their report dated December 30, 2020, on the statement of tax benefits, included in this Shelf Prospectus, our Company has not obtained any expert opinions in respect of the Issue.

### **Impersonation**

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

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

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

#### **"Punishment for Fraud.**

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

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

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

*Explanation — For the purposes of this section —*

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

*(ii) "wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;*

*(iii) "wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled."*

### **Designated Intermediaries**

#### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

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



### Syndicate SCSB Branches

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

### Registered Brokers / RTAs / CDPs

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

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

### CRTAs / CDPs

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

### Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% (i.e. Rs. 375 Crores) of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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

For further details, please see the section titled “Issue Procedure” on page 279 of this Shelf Prospectus.

### Issue Programme

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

\* The Issue shall remain open for subscription on Working Days from 10.00 a.m. till 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the approving authority of the Company. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled “Issue Related Information” beginning on page 262 of this Shelf Prospectus.

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

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

## CAPITAL STRUCTURE

### Details of share capital

The following table set out details of our authorised, issued, subscribed and paid up share capital of the Company as on December 31, 2020.

(₹ in crore, except share data)

Particulars	Aggregate value at nominal value
<b>A) AUTHORISED SHARE CAPITAL</b>	
11,00,00,00,000 Equity Shares of face value of ₹ 10/- each	11,000.00
20,00,00,00,000 Preference share capital of face value ₹ 10 each	200.00
Total Authorised Share Capital	11,200.00
<b>B) ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL</b>	
2,64,00,81,408 Equity Shares of face value of ₹ 10/- each fully paid up	2,640.08
<b>C) SECURITIES PREMIUM ACCOUNT</b>	2,776.54

Notes:

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

### Details of change in authorized share capital as on December 31, 2020

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

Sr. No	Date of change	Particulars of change in authorised share capital	Details of the resolution/order
1.	January 18, 1991	Equity Share capital of the company increased to Rs. 20,00,00,00,000	Amended by Special Resolution passed at the Extra Ordinary General Meeting of shareholders held on January 18, 1991.
2.	August 19, 2016	Equity Share capital of the company increased to Rs. 100,00,00,00,000	Clause V of the memorandum of association amended vide ordinary resolution passed at 30 <sup>th</sup> Annual General Meeting of Shareholders held on August 19, 2016.
3.	February 7, 2019	Share capital of the company increased to Rs. 112,000,000,000 comprising of 11,00,00,00,000 Equity Shares of face value of ₹ 10/- each and 20,00,00,000 Preference Shares of face value ₹ 10 each	Clause V of the memorandum of association amended vide MCA Order no. 24/6/2018-CL-III dt. Dated February 7, 2019, pursuant to scheme of Arrangement for amalgamation of PFC Green Energy Limited (PFCGEL, a wholly owned subsidiary of the Company) with the Company with effective date of amalgamation i.e. April 1, 2017.

### Notes to capital structure

#### 1. Share capital history of our Company

##### History of Equity Share capital of our Company as on December 31, 2020

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

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

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

##### History of Preference Share capital of our Company as on December 31, 2020

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

NIL

(The remainder of this page is intentionally left blank)

**2. Shareholding pattern of our Company, as on December 31, 2020**

The following is the shareholding pattern of our Company, as on December 31, 2020:

**Table I – Summary Statement holding of specified securities**

<b>Table I - Summary Statement holding of specified securities</b>															
Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V) +(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities		No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
								No of Voting Rights	Total as a % of (A+B+C)			No.	As a % of total Shares held		

								Class X	Cl ass Y	Total								
(I)	(II)	(III)	(IV)	(V )	(VI )	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	1	14782917 78	0	0	14782917 78	55.99	147829 1778	0	14782917 78	55.9 9	0	55.99	0	0.00	0	0.00	147829177 8
(B)	Public	265793	11617896 30	0	0	11617896 30	44.01	116178 9630	0	11617896 30	44.0 1	0	44.01	0	0.00	NA	NA	116175833 9
(C)	Non Promoter- Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	<b>Total:</b>	<b>265794</b>	<b>26400814 08</b>	<b>0</b>	<b>0</b>	<b>26400814 08</b>	<b>100.00</b>	<b>264008 1408</b>	<b>0</b>	<b>26400814 08</b>	<b>100. 00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>264005011 7</b>

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

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights	Total as a % of (A+B+C)				No.	As a % of total Shares held	No.	As a % of total Shares held		
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(1)	Indian																		
(a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government/St		1	1478291778	0	0	1478291778	55.99	1478291778	0	1478291778	55.99	0	55.99	0	0.00	0	0.00	1478291778

	ate Government(s)																		
	<b>PRESIDENT OF INDIA</b>	<b>IN3013301977 9027</b>	<b>1</b>	<b>1478291 778</b>	<b>0</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>1478291 778</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>0</b>	<b>55.99</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>147829177 8</b>
(c)	<b>Financial Institutions/Ba nks</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(d)	<b>Any Other</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Sub-Total (A)(1)</b>		<b>1</b>	<b>1478291 778</b>	<b>0</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>1478291 778</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>0</b>	<b>55.99</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>147829177 8</b>
(2)	<b>Foreign</b>																		
(a)	<b>Individuals (Non-Resident Individuals/Fo reign Individuals</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(b)	<b>Government</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(c)	<b>Institutions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(d)	<b>Foreign Portfolio Investor</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
(e)	<b>Any Other</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Sub-Total (A)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A) (2)</b>		<b>1</b>	<b>1478291 778</b>	<b>0</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>1478291 778</b>	<b>0</b>	<b>1478291 778</b>	<b>55.99</b>	<b>0</b>	<b>55.99</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>147829177 8</b>

Table III – Statement showing shareholding pattern of the Public shareholder

Table III - Statement showing shareholding pattern of the Public shareholder																			
Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights	Total as a % of (A+B+C)	No .			As a % of total Shares held	No .	As a % of total Shares held			
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(1)	Institutions																		
(a)	Mutual Funds		22	366779902	0	0	366779902	13.89	366779902	0	366779902	13.89	0	13.89	0	0.00	NA	NA	366779902

	HDFC TRUSTEE COMPANY LTD. A/C HDFC GROWTH OPPORTUNITIES FUND	AAATH1809A	1	243983623	0	0	243983623	9.24	243983623	0	243983623	9.24	0	9.24	0	0.00	N A	NA	243983623
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA ETFSENSEX NEXT 50	AAATR0090B	1	50942899	0	0	50942899	1.93	50942899	0	50942899	1.93	0	1.93	0	0.00	N A	NA	50942899
	MIRAE ASSET TAX SAVER FUND	AACTM0203B	1	51470712	0	0	51470712	1.95	51470712	0	51470712	1.95	0	1.95	0	0.00	N A	NA	51470712
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(e)	Foreign Portfolio Investors		209	458636692	0	0	458636692	17.37	458636692	0	458636692	17.37	0	17.37	0	0.00	N A	NA	458636692
	UBS PRINCIPAL CAPITAL ASIA LTD	AABCU7548R	1	89764000	0	0	89764000	3.40	89764000	0	89764000	3.40	0	3.40	0	0.00	N A	NA	89764000
	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	AAECM3575F	1	37704110	0	0	37704110	1.43	37704110	0	37704110	1.43	0	1.43	0	0.00	N A	NA	37704110
	THE WINDACRE PARTNERSHIP MASTER FUND LP	AAHAT8121F	1	128615000	0	0	128615000	4.87	128615000	0	128615000	4.87	0	4.87	0	0.00	N A	NA	128615000
(f)	Financial Institutions/Banks		7	4702630	0	0	4702630	0.18	4702630	0	4702630	0.18	0	0.18	0	0.00	N A	NA	4702628
(g)	Insurance Companies		5	161285695	0	0	161285695	6.11	161285695	0	161285695	6.11	0	6.11	0	0.00	N A	NA	161285695
	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	1	148762976	0	0	148762976	5.63	148762976	0	148762976	5.63	0	5.63	0	0.00	N A	NA	148762976



(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(i)	Any Other																		
	<b>Sub Total (B)(1)</b>		<b>243</b>	<b>991404919</b>	<b>0</b>	<b>0</b>	<b>991404919</b>	<b>37.55</b>	<b>991404919</b>	<b>0</b>	<b>991404919</b>	<b>37.55</b>	<b>0</b>	<b>37.55</b>	<b>0</b>	<b>0.00</b>	<b>N A</b>	<b>NA</b>	<b>991404917</b>
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
	<b>Sub Total (B)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N A</b>	<b>NA</b>	<b>0</b>
(3)	Non-Institutions																		
(a)	i.Individual shareholders holding nominal share capital up to Rs.2 lakhs		260202	95779603	0	0	95779603	3.63	95779603	0	95779603	3.63	0	3.63		0.00	N A	NA	95748314
	ii.Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		367	30326205	0	0	30326205	1.15	30326205	0	30326205	1.15	0	1.15		0.00	N A	NA	30326205
(b)	NBFCs Registered with RBI		7	1116456	0	0	1116456	0.04	1116456	0	1116456	0.04	0	0.04	0	0.00	N A	NA	1116456
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N A	NA	0
(e)	Any Other																		
	TRUSTS		33	1816692	0	0	1816692	0.07	1816692	0	1816692	0.07	0	0.07	0	0.00	N A	NA	1816692
	ALTERNATIVE INVESTMENT FUND		2	431976	0	0	431976	0.02	431976	0	431976	0.02	0	0.02	0	0.00	N A	NA	431976
	NON RESIDENT INDIANS		2332	2942649	0	0	2942649	0.11	2942649	0	2942649	0.11	0	0.11	0	0.00	N A	NA	2942649

	CLEARING MEMBERS		197	1401281	0	0	1401281	0.05	1401281	0	1401281	0.05	0	0.05	0	0.00	N A	NA	1401281
	Qualified Institutional Buyer		6	22822510	0	0	22822510	0.86	22822510	0	22822510	0.86	0	0.86	0	0.00	N A	NA	22822510
	NON RESIDENT INDIAN NON REPATRIABLE		1473	1581355	0	0	1581355	0.06	1581355	0	1581355	0.06	0	0.06	0	0.00	N A	NA	1581355
	BODIES CORPORATES		930	12113040	0	0	12113040	0.46	12113040	0	12113040	0.46	0	0.46	0	0.00	N A	NA	12113040
	I E P F		1	52944	0	0	52944	0.00	52944	0	52944	0.00	0	0.00	0	0.00	N A	NA	52944
	<b>Sub Total (B)(3)</b>		<b>265550</b>	<b>17038471 1</b>	<b>0</b>	<b>0</b>	<b>17038471 1</b>	<b>6.45</b>	<b>17038471 1</b>	<b>0</b>	<b>17038471 1</b>	<b>6.45</b>	<b>0</b>	<b>6.45</b>	<b>0</b>	<b>0.00</b>			<b>170353422</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>		<b>265793</b>	<b>11617896 30</b>	<b>0</b>	<b>0</b>	<b>11617896 30</b>	<b>44.01</b>	<b>11617896 30</b>	<b>0</b>	<b>11617896 30</b>	<b>44.01</b>	<b>0</b>	<b>44.01</b>	<b>0</b>	<b>0.00</b>			<b>1161758339</b>

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

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

	Regulations 2014)																		
	<b>Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>			<b>0</b>

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

The following is the shareholding of our Promoter in our Company, as on December 31, 2020 :

Sr. No.	Name of Promoter	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares	No. of Shares Pledged	% of Shares Pledged with respect to shares owned	No. of Equity shares held in Dematerialised form
1.	President of India	1,47,82,91,778	55.99	0	0	1,47,82,91,778
	<b>Total</b>	1,47,82,91,778	55.99	0	0	1,47,82,91,778

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

The following is the shareholding of our Promoter in our Company's Subsidiaries, as on December 31, 2020

NIL

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

The following is the shareholding of our Directors in our Company, as on December 31, 2020:

Sr. No.	Name of Directors	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares
1.	Mr. Praveen Kumar Singh	32,194	Negligible
2.	Mr. Ravinder Singh Dhillon	27,050	Negligible
3.	Mrs. Parminder Chopra	2,000	Negligible

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

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

<i>Sr. No.</i>	<i>Name of Subsidiaries</i>	<i>Name of Directors</i>	<i>No. of Equity shares held</i>	<i>Total shareholding as a percentage of the total number of Equity Shares</i>
1.	PFC Consulting Limited	Mr. Praveen Kumar Singh	100*	0.19
		Mr. R.S. Dhillon	100*	0.19
2.	Coastal Karnataka Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
3.	Coastal Maharashtra Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
4.	Coastal Tamil Nadu Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
5.	Chhattisgarh Surguja Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
6.	Orissa Integrated Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
7.	Sakhigopal Integrated Power Co. Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
8.	Ghogarpalli Integrated Power Co. Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
9.	Tatiya Andhra Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
10.	Deoghar Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
11.	Cheyur Infra Limited	Mr. R.S. Dhillon	100*	0.2
12.	Odisha Infrpower Limited	Mr. R.S. Dhillon	100*	0.2
13.	Deoghar Infra Limited	Mr. R.S. Dhillon	100*	0.2
14.	Bihar Infrapower Limited	Mr. R.S. Dhillon	100*	0.2
15.	Bihar Mega Power Limited	Mr. R.S. Dhillon	100*	0.2
16.	Jharkhand Infrapower Limited	Mr. R.S. Dhillon	100*	0.2

\* as a Nominee of Power Finance Corporation Limited

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

The following are the details of the top ten Equity shareholders of our Company, as on December 31, 2020:

Sr. No.	Name of the shareholder	Total No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares
1.	President of India	1,47,82,91,778	1478291778	55.99
2.	Life Insurance Corporation of India*	14,87,62,976	14,87,62,976	5.63
3.	The Windacre Partnership Master Fund LP	12,86,15,000	12,86,15,000	4.87
4.	HDFC Trustee Company Limited a/c HDFC Balance Advantage Fund	12,06,19,902	12,06,19,902	4.56
5.	UBS Principal Capital Asia Limited	8,97,64,000	8,97,64,000	3.40
6.	HDFC Trustee Company Limited- HDFC Equity Fund	6,33,63,775	6,33,63,775	2.40
7.	Morgan Stanley Asia (Singapore) PTE – ODI	3,75,61,510	3,75,61,510	1.42
8.	HDFC Trustee Company Limited a/c HDFC Top 100 Fund	3,14,69,486	3,14,69,486	1.19
9.	Abu Dhabi Investment Authority- LGLINV	2,42,28,084	2,42,28,084	0.91
10.	HDFC Trustee Company Limited - A/C HDFC Mid – Cap opportunities Fund	2,15,63,460	2,15,63,460	0.81
	<b>Total</b>	<b>2,14,42,39,971</b>	<b>2,14,42,39,971</b>	<b>81. 21</b>

\*The total shareholding of LIC is on the basis of PAN.

#### 8. Details of top 10 debenture holders:

The following are the details of the top ten bond holders (secured/unsecured), as on December 31, 2020:

Sr. No.	Name	Total face value amount of debentures held in ₹ (in crore)
1.	Life Insurance Corporation of India	41893.20
2.	CBT-EPF-05-E-DM	26,197.54
3.	State Bank of India	8333.04
4.	HDFC Mutual Fund	7319.90
5.	NPS Trust- A/C Kotak Pension Fund- Tier I	6192.70
6.	Aditya Birla Sun Life trustee Private Limited- A/C Aditya Birla Sun Life Income Fund	6334.70
7.	ICICI Prudential Ultra Short Term Fund	4970.80
8.	Coal Mines Provident Fund Organisation	4862.90
9.	IDFC Low Duration Fund	4556.40
10.	Edelweiss Trusteeship Co. Ltd – Mutual Fund	3941.50
	<b>Total</b>	<b>114,602.68</b>

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

Except as disclosed herein below, in “History and Certain Corporate Matters” on page 129 of the Shelf Prospectus and “Capital Structure- Details of any Acquisition or Amalgamation in the last one year” given below, none of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013 and the Promoter of our Company have undertaken purchase and/or sale of the Securities of our Company and its Subsidiaries during the preceding 6 (six) months from the date of this Shelf Prospectus.

Mr. Praveen Kumar Singh, Director (Commercial) of the Company, vide his letter dated October 19, 2020 had informed that he had inadvertently purchased 5,000 equity shares of Power Finance Corporation Limited on October 5, 2020, during the trading window closure period. The matter was considered at the Meeting of Board of Directors held on November 12, 2020 wherein the Board decided that Mr. Praveen Kumar Singh, Director (Commercial) should dispose the 5,000 equity shares of Power Finance Corporation Limited, purchased by him on October 5, 2020 during the period of closure of Trading Window immediately but not later than 7 days and the profit, if any, arising out of the said transaction including by way of any corporate action be remitted to Power Finance Corporation Limited, for remitting the same to SEBI for credit to IEPF.

As per directions of the Board of Directors in the Meeting held on November 12, 2020, he disposed off the 5,000 equity shares of PFC on November 14, 2020 and furnished a cheque of Rs. 70,556/- dated November 16, 2020, being the penalty amount equivalent to the amount of profit earned against this transaction. Further, in compliance with SEBI Circular dated July 23, 2020, it is informed that PFC has transferred the said amount of Rs. 70,556/- to the dedicated Bank Account of SEBI (Investor Protection and Education Fund) on November 24, 2020 vide UTR N329201317989396.

It is also informed that, vide his letters dated October 20, 2020 and October 28, 2020, Mr. Praveen Kumar Singh had informed the Company that he had inadvertently purchased 2,500 equity shares of REC Limited on October 5, 2020, during the trading window closure period. In this regard, the disclosure as prescribed vide SEBI Circular dated July 23, 2020 was provided.

In this regard, it is informed that as per directions of the Board of Directors in the Meeting held on November 6, 2020, he has disposed off 2,500 equity shares of REC on November 11, 2020 and furnished a cheque of Rs. 34,855/- dated November 13, 2020, being the penalty amount equivalent to the amount of profit earned against this transaction. Further, in compliance with SEBI Circular dated July 23, 2020, it is informed that REC has transferred the said amount of Rs. 34,855/- to the dedicated Bank Account of SEBI (Investor Protection and Education Fund) on November 20, 2020 vide UTR N325201315170646.

#### **Debt-Equity Ratio**

The pre-Issue and post-Issue Debt-Equity Ratio, on a standalone basis, as on September 30, 2020 is 6.57 and 6.77\*, respectively. For details of borrowings and net worth of the Company, please see the section titled “*Our Business - Key Operational and Financial Parameters*” beginning on page 82 of the Shelf Prospectus.

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

#### **Details of any Acquisition or Amalgamation in the last one year**

NIL

#### **Details of any Reorganization or Reconstruction in the last one year**

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Shelf Prospectus. For further details, please refer to the section “*History and Certain Corporate Matters*” on page 129 of the Shelf Prospectus.

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

NIL

#### **Equity shares issued for consideration other than cash**

Our Company has not issued any Equity Shares for consideration other than cash during the preceding 4 years from the date of this Shelf Prospectus.

#### **Debt securities issued at a premium or a discount (Status as on 31.12.2020)**

Our Company has not, since its incorporation, issued any debt securities (i) for consideration other than cash, (ii) at a premium or at a discount, except for foreign currency bonds under medium term notes programme through various tranches - 3.95% USD Medium Term Notes 2030, 3.90% USD Medium Term Notes 2029, 4.50% USD Medium Term Notes 2029, 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027, 3.25% USD Medium Term Notes 2030 and 3.75% USD Medium Term Notes 2030. For further details, please refer to the section “*Financial Indebtedness*” on page 150 of the Shelf Prospectus.



**Outstanding borrowings of our Company**

For details of the outstanding borrowing of our Company, please see the section titled “*Financial Indebtedness*” on page 150 of the Shelf Prospectus.

**Employee Stock Option Scheme (“ESOP scheme”)**

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

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## OBJECTS OF THE ISSUE

### Issue Proceeds

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

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

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

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

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

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

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

### Requirements of funds and utilisation of Net Proceeds

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

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

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

### Issue Related Expenses

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

### **Purpose for which there is a Requirement of Funds**

As stated in “– *Issue Proceeds*” above.

### **Funding plan**

Not applicable

### **Summary of the project appraisal report**

Not applicable.

### **Schedule of implementation of the project**

Not applicable.

### **Interim Use of Proceeds**

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

### **Monitoring of Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors or any other person authorized by Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company’s financial statements for the relevant financial year commencing from the financial year ending March 31, 2021, the utilisation of the proceeds of the Issue under a separate head/note along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such un-utilised proceeds of the Issue. Further, in accordance with the SEBI Debt Regulations, our Company will furnish to the Stock Exchange(s) on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results in the terms of and as per the format prescribed by Circular SEBI/HO/DDHS/08/20 SEBI 20 dated January 17, 2020. We shall utilize the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchange as stated in this Shelf Prospectus in the section titled “*Terms of the Issue*” on page 266 of the Shelf Prospectus.

### **Other Confirmations**

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

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

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

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

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

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

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, receipt of minimum subscription, i.e. 75% of base issue relating to each Tranche Issue and upon receipt of the listing and trading approval from the Stock Exchange as stated in this Shelf Prospectus in the section titled “*Terms of the Issue*” beginning on page 266 of the Shelf Prospectus.

#### **Utilisation of the proceeds of the Issue**

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account maintained with the Public Issue Account Bank as referred to in sub-section (3) of section 40 of the Companies Act, 2013, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company’s bank account after receipt of listing and trading approvals.
- (b) The allotment letter shall be issued or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- (c) Details of all monies unutilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head/note in our financial statements till the time any part of the proceeds of the Issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- (d) Details of all monies utilised out of the monies to be raised through this Issue, shall be disclosed and continued to be disclosed under an appropriate separate head/note in our financial statements indicating the purpose for which such monies have been utilized.
- (e) We shall utilize the Issue proceeds only after (i) receipt of minimum subscription, i.e. 75% of the Base Issue pertaining to each Tranche Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; and (iv) obtaining listing and trading approval as stated in this Shelf Prospectus in the section titled “*Issue Structure*” beginning on page 262 of the Shelf Prospectus.

#### **Variation in Terms of Contract or Objects in this Shelf Prospectus**

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

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

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

## STATEMENT OF TAX BENEFITS

Gandhi Minocha & Co.  
Chartered Accountants  
B-6 Shakti Nagar extension,  
Near Laxmi Bai College,  
Delhi – 110 052  
[manojbhardwaj@gandhiminocha.com](mailto:manojbhardwaj@gandhiminocha.com)

Dass Gupta & Associates  
Chartered Accountants  
NDG Center,  
B-4, Gulmohar Park  
New Delhi – 110 049  
[admin@dassgupta.com](mailto:admin@dassgupta.com)

Date: 30/12/2020

To,  
**Power Finance Corporation Limited**  
'Urjanidhi',  
1, Barakhamba Lane, Connaught Place,  
New Delhi - 110 001, India.

Dear Ma'am/Sir,

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

This is to certify that "*Statement of Tax Benefits*" is as incorporated in **Annexure A** and is in the form it appears in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) ("**Offer Document**"). We consent to its reproduction in the Offer Document.

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

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

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

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

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

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

Sincerely,

**For and on behalf of**

Gandhi Minocha & Co.  
Authorized Signatory

Dass Gupta & Associates  
Authorized Signatory

**Name:** CA Manoj Bhardwaj  
**Designation:** Partner  
**Membership Number:** 098606  
**Date:** 30.12.2020  
**Firm Membership Number:** 000458N  
**Place:** New Delhi  
UDIN: 20098606AAAADD8880

**Name:** CA Naresh Kumar  
**Designation:** Partner  
**Membership Number:** 082069  
**Date:** 30.12.2020  
**Firm Membership Number:** 000112N  
**Place:** New Delhi  
UDIN: 20082069AAAAAR7077

**CC:**

**Trust Investment Advisors Private Limited**

109/110, Balarama,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051,  
Maharashtra, India

**A. K. Capital Services Limited**

30-38, Free Press House,  
3rd Floor, Free Press Journal Marg,  
215, Nariman Point,  
Mumbai, 400 021,  
Maharashtra, India.

**Edelweiss Financial Services Limited**

Edelweiss House, Off. C.S.T Road,  
Kalina, Mumbai 400 098,  
Maharashtra, India

**JM Financial Limited**

7th Floor,  
Cnergy Appasaheb Marathe Marg  
Prabhadevi,  
Mumbai - 400 025  
Maharashtra, India

## ANNEXURE

### STATEMENT OF SUMMARY OF TAX BENEFITS

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

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

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

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

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

#### STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

##### Under the Income-Tax Act, 1961 ("I.T. Act")

##### **I. Tax benefits available to the Resident Debenture Holders**

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

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

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

As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.

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

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

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

## II. Tax benefits available to Mutual Funds

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

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

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

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

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

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

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.
2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
  - a) at the rate specified in the relevant provision of the I. T. Act; or
  - b) at the rate or rates in force; or
  - c) at the rate of twenty per cent.
3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).
4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per para (I) above in such a case.
5. Where a wrong PAN is provided, it will be regarded as non – furnishing of PAN and para (I) above will apply apart from penal consequences.

## IV. Taxability of Gifts received for nil or inadequate consideration

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

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

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

### NOTES:

- The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by Finance Act, 2020.
- All tax rates, surcharge and cess mentioned above are stated on the basis of prevailing rates as on date and are subject to change from time to time.

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



## SECTION IV - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless noted otherwise, The information in this section has been obtained or derived from industry sources, such as CARE Ratings Limited – The Indian Power Sector (Economics) in 2019-20 dated March 31, 2020, CARE Ratings Limited – Power sector update(Economics) dated November 9, 2020, CARE Ratings Limited – Oil and Gas FY20 update and FY21 outlook (Industry Research) dated May 18, 2020, CARE Ratings Limited – Coal Update – October 2020, CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020, CARE Ratings Limited – Natural Gas H1-FY21 update (Industry Research) dated October 22, 2020 and CARE Ratings Limited – Crude Oil H1-FY21 update (Industry Research) dated October 22, 2020, and government publications, such as RBI Monetary Policy Report – October 2020 and the RBI Bi-monthly Monetary Policy Statement, 2020-21 (December) and India Economic Survey – Volumes I & II (2019-20).The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisers. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Shelf Prospectus.*

#### Global Economy

The pandemic has plunged the global economy into its deepest contraction in history in the second quarter of 2020. World merchandise trade volume contracted by 14.3% (quarter-on-quarter) in the second quarter of 2020. Just as various economies were engaging in unlocking activity, and a general sense emerging of the global economy stabilising and getting poised for recovery in the third quarter of 2020, fresh waves of infections have surged, threatening these positive impulses. Meanwhile, commodity prices have firmed up, pushing up inflation. Although headline and core inflation remain subdued and below target in several economies, food price pressures are firming up. Global spill overs have accentuated, mainly through financial channels. Although financial markets have recovered from the panic sell-offs in the first quarter of 2020 and capital flows to emerging market economies (“**EMEs**”) have resumed on the return of risk sentiment, asset prices are volatile, out of alignment with underlying fundamentals, and the outlook is uncertain. Monetary policy guidance from systemic central banks has led to weakening of the US dollar with corresponding appreciation in other currencies, especially EME currencies, with implications for export performance and growth. In addition, disruptions in global value chains (“**GVCs**”) have amplified supply shocks inflicted by the pandemic.

Some near-term indicators have improved. Global purchasing managers’ index (“**PMI**”) indicates that on a month-on-month basis, the output and new orders as also business sentiments have revived since July and new export orders returned to growth in September.

The recovery, however, is nascent and hinges on the duration of the pandemic and discovery of the vaccine. Underlying the stabilisation of financial markets, the easing of financial conditions and the hesitant recovery is the unprecedented policy response of monetary and fiscal authorities. These actions have led to a renewal of risk appetite and search for yields, slowing the precautionary flight to cash. Notwithstanding this defence, the outlook is highly uncertain, policy space is largely used up and the virulence of the pandemic is yet to abate for recovery to gain traction.

(Source: *RBI Monetary Policy Report, October 2020* - <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPR0910200CB2848C2D8A40758A1FB7AE110E3F16.PDF>)

The outlook for the fourth quarter of calendar 2020 (October to December) is overcast with a surge in COVID-19 infections in a second wave across Europe, the US and major EMEs, with accompanying lockdowns. Progress on vaccine candidates has, however, generated some offsetting optimism. World trade recorded a rebound in the third quarter as lockdowns were eased, but it is likely to slow in the fourth quarter as pent-up demand is exhausted, inventory restocking is completed, and trade-related uncertainty is rising with the second wave. Consumer price index (“**CPI**”) inflation has remained muted across major advanced economies (“**AEs**”) while it picked up in some EMEs on firming food prices and supply disruptions. Global financial markets remain buoyant, supported by highly accommodative monetary policies and positive news on the vaccine.

(Source: *RBI Bi-monthly Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee – December 2-*

#### 4. 2020

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR720A9A40E7FC8884A6A9F158967DE9BFF20.PDF>)

#### The Indian Economy

India has an estimated population of 1.38 billion people as of October 2019. The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated US\$2.59 trillion for the fiscal year 2019- 2020. (Source: International Monetary Fund's World Economic Outlook - <https://www.imf.org/en/Countries/IND#countrydata>)

The below table depicts the estimated real GDP growth of India in 2021 in comparison with certain other countries:

Country	Estimated Real GDP Growth in 2021 (%)
China	8.2
<b>India</b>	<b>8.8</b>
Brazil	2.8
United States	3.1
United Kingdom	5.9
Japan	2.3
World	5.2

(Source: International Monetary Fund's World Economic Outlook as of October 2020 - <https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020>)

The deceleration in India's GDP growth since 2017 has tracked the decline in world output. However, for three years prior to 2017, when global output growth was not declining, India surged ahead of the rest of the world, recording in 2014-18 an average growth significantly higher than that of any comparable peer, both among advanced and emerging market economies. The WEO Update of January 2020 has projected the growth of Indian economy to increase to 5.8 per cent in 2020 expecting India to contribute significantly to an eventual pickup in the growth of world output. India's GDP in nominal prices was ₹ 190.1 lakh crore (US\$2.7 trillion) in 2018-19.

(Source: India Economic Survey - Volume II (2019-20), Chapter 1, Ministry of Finance - <https://www.indiabudget.gov.in/economicsurvey/>)

In 2019-20, Centre's fiscal deficit was budgeted at ₹ 7.04 lakh crore (3.3 per cent of GDP), as compared to ₹ 6.49 lakh crore (3.4 per cent of GDP) in 2018-19 in the first eight months of 2019-20, fiscal deficit stood at 114.8 per cent of the budgeted level. Net Tax revenue to the Centre, which was envisaged to grow at more than 25 percent in 2019-20 BE relative to 2018-19 PA, grew at 2.6 per cent during April to November 2019, which was nearly half its' growth rate for the corresponding period last year. This is primarily owing to low growth in Gross Tax Revenue (GTR) of 0.8 per cent during first eight months of 2019-20 vis-a-vis 7.1 per cent growth for the corresponding period in 2018-19. Goods and Services Tax (GST) collections, the biggest component of indirect taxes, grew by 4.1 percent for the Centre during April-November 2019. However, the uptick in growth of cumulative GST collections for the Centre started in October 2019 and has sustained its momentum in November and December 2019 as well.

(Source: India Economic Survey - Volume II (2019-20), Chapter 1, Ministry of Finance - <https://www.indiabudget.gov.in/economicsurvey/>)

According to the Bi-Monthly Monetary Policy Statement in 2020-21 of the Monetary Policy Committee ("MPC") for December 2-4, 2020, the outlook for growth the Indian Economy is as follows:

- The recovery in rural demand is expected to strengthen further, while urban demand is also gaining momentum as unlocking spurs activity and employment, especially of labour displaced by COVID-19. These positive impulses are, however, clouded by a possible rise in infections in some parts of the country, prompting some local containment measures. At the same time, the recovery rate has crossed 94 per cent and there is considerable optimism on successes in vaccine trials.
- Consumers remain optimistic about the outlook, and business sentiment of manufacturing firms is gradually improving. Fiscal stimulus is increasingly moving beyond being supportive of consumption and liquidity to supporting growth-generating investment.
- Private investment is still slack and capacity utilisation has not fully recovered. While exports are on an uneven

recovery, the prospects have brightened with the progress on the vaccines. Demand for contact-intensive services is likely to remain subdued for some time due to social distancing norms and risk aversion.

- (d) Taking these factors into consideration, real GDP growth is projected at (-)7.5 per cent in 2020-21: (+)0.1 per cent in Q3:2020-21 and (+)0.7 per cent in Q4:2020-21; and (+)21.9 per cent to (+)6.5 per cent in H1:2021-22, with risks broadly balanced

(Source: RBI Bi-monthly Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee – December 2-4, 2020

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR720A9A40E7FC8884A6A9F158967DE9BFF20.PDF>)

## **THE INDIAN POWER SECTOR**

### ***Outlook for Power Sector in FY21***

CARE expects India's power sector performance is expected to see a significantly decline in 2020-21, due to the likely prolonged disruptions caused by the Corona virus pandemic.

Electricity demand is expected to contract during the year, largely driven by slippages in commercial and industrial demand. With the industrial and commercial sector together accounting for nearly 50% of the country's electricity consumption, a decline in their consumption would no doubt weigh down overall demand. With the pandemic bringing activity in these sectors to a standstill, electricity demand by these segments is to see a significant decline this year. Consequent to lower demand, power generation would also see a commensurate decline. Given the supply chain disruptions, the generation and capacity addition by renewable energy sources viz. solar power would also be lower. With low demand and the resultant low power generation, the capacity utilization rate of thermal power plants would continue to be subdued.

The financial health of generating and distribution companies would deteriorate further and stressed assets in the sector are slated to increase.

The government may consider providing additional relief or stimulus to the sector. There could also be relaxation and flexibility in compliances and reduction/ removal of duties.

(Source: CARE Ratings Limited – *The Indian Power Sector in 2019-20 (Economics)* dated March 31, 2020)

The year 2019 has seen a significant leap forward for renewable energy with India undertaking one of the world's largest renewable energy expansion programmes in the world. India had announced 175 Gigawatt (GW) targets for renewables by 2022 and has already achieved 83 GW.

(Source: *India Economic Survey - Volume II (2019-20), Chapter 6, Ministry of Finance* - <https://www.indiabudget.gov.in/economicsurvey/>)

### ***Electricity demand and generation***

Catering to the higher power demand, electricity generation registered a year-on-year positive growth for the second consecutive month in October'20. Electricity generation was 3% higher during the month (year on-year) and 28% higher than the lows of April'20. Power output however was 3% lower than that in the September'20.

In the first seven months of 2020-21, domestic electricity generation was at a 3 year low and 6.5% lower than that in the corresponding period of 2019-20. This decline can in large part be attributed to the sharp fall in electricity demand from the industrial and commercial sectors during the national lockdown in April'20 along with the disruptions in the supply of inputs, raw materials, and labour shortages consequent to the pandemic and the subsequent restrictions imposed by the governments across states.

(Source: CARE Ratings Limited - *Power Sector Update (Economics)* dated November 9, 2020)

### ***Installed Capacity of Power Stations in India***

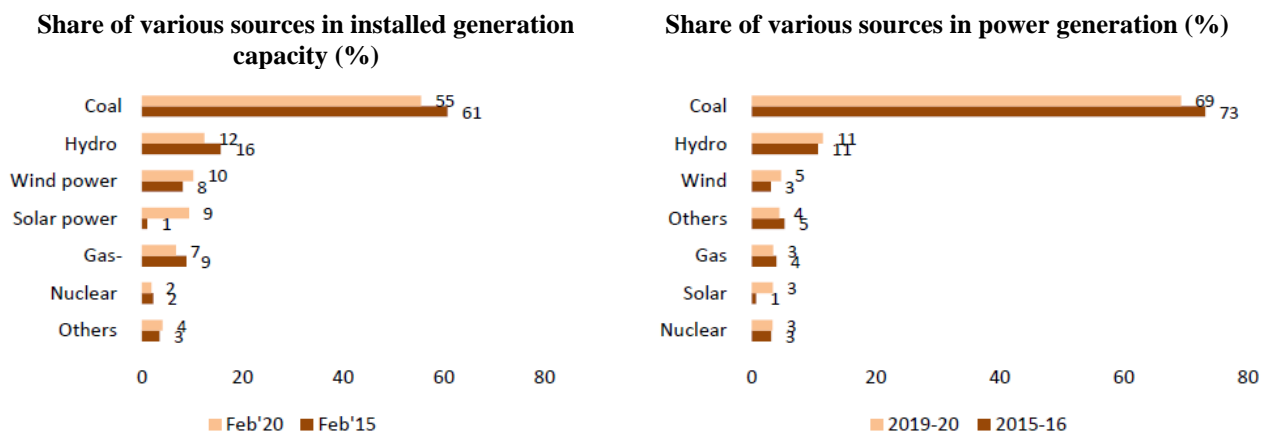
Installed capacity stood at 369 GW as of February 2020. In the first 11 months of 2019-20 (Apr'19-Feb'20), the installed capacity of power generation (conventional and renewable) in the country increased by 13,328 MW (to 3,69,428 MW),

compared with the capacity addition of 12,312 MW during the financial year 2018-19. The addition to the generation capacity in 2019-20 is led by renewable energy, which accounted for 68% of the capacity addition.

The capacity addition by conventional power sources in 2019-20 (Apr'19-Jan'20) was only 44% of the target for the financial year, while that of (grid connected) renewable sources (Apr'19-Feb'20) in comparison has been higher at 71% of target.

(Source: CARE Ratings Limited - Power Sector Update (Economics) dated November 9, 2020)

### Share of various sources in installed capacity and generation



Source: CEA and CARE Ratings calculations

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

### Power generation in 2019-20

Power generation in the country in 2019-20 grew at its slowest pace in 5 years. As per the latest provisional data from CEA, during the first 11 months of 2019-20 (Apr-Feb), the growth in overall generation (conventional and renewable) was 1.6% (to 1,279 billion units) compared with 5.3% in the same months of year ago. The average annual growth in power generation has been 5.5% in the last 3 years.

There was a sustained decline in domestic power generation during June – November'19 that can be partly attributed to the extended monsoons. In addition, the lower demand mainly from the industrial sector due to subdued economic activity and the lower purchase of power by the financially stressed power distribution companies affected production.

Domestic power generation continues to be led by conventional energy which accounts for 90% of total generation. However, the growth in generation from conventional sources lagged that of renewable sources.

Power generation from conventional sources in the 11 months of 2019-20 (Apr-Feb) grew by 1.1%, while that from renewable sources increased by 8.2%.

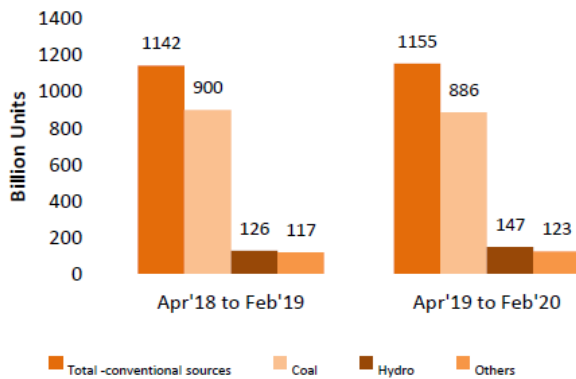
Both conventional and renewable sources witnessed a decline in annual growth in generation in 2019-20 (Apr-Feb). The fall was sharper in case of renewable source with growth being 8.2% against 25% of last year. In comparison, the growth in generation from conventional sources fell by 3% to 1.1%. Coal sourced power generation which is the largest source of domestic electricity (70% of overall generation) contracted by 1.5% in the 11 months of 2019-20, pulling down the overall generation from conventional source.

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

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## Electricity Generated in India

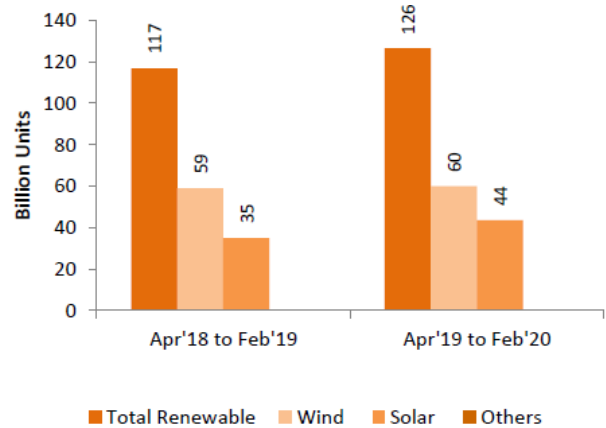
### Electricity generation by conventional sources



Source: CEA

Others includes diesel, gas, lignite, nuclear and imports from Bhutan

### Renewable energy generation



Source: CEA

Others includes small hydro, biomass

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

### Fall in capacity utilization rates of thermal power plants

As a result of the lower generation and demand, the capacity utilization or the plant load factor (PLF) of thermal power plants has declined in 2019-20. The PLF of thermal power plants during April'19 –February'20 at 56.4% has been the lowest in nearly two and half decades. On a year on year basis it has declined by 4%. There has been anear sustained decline in the utilization rates of conventional power plants viz. coal and gas based plants in recent years. The utilization rate of coal based power plants has declined by over 15% in the last 9 years (56% in 2019-20)and that of gas-based plants by 44%. Capacity utilization level of coal based power plants fell to below 50%, the lowest level on record, in October'19. The decline in the PLF of conventional power sources in recent times also coincides with the growing prominence of renewable energy sources in the domestic power sector. Even though the renewable energy sources are prone to seasonal variations, the decline in the PLF of conventional sources points to considerable weakness in power demand. The coal based power plants have also had to contend with input supply shortages.

The lower capacity utilization rates of the thermal power plants add to the financial constraints of the generating companies who are already faced with large outstanding dues from distribution companies (DISCOMS).

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

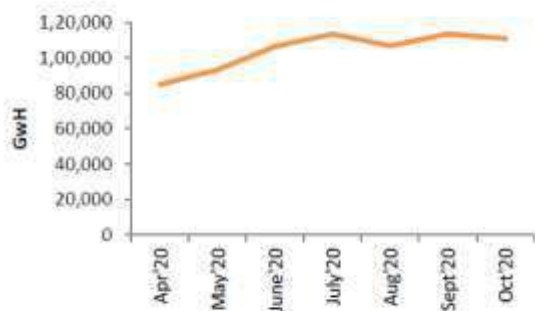
### Increasing consumption

Electricity consumption in October'20 witnessed a near 13% increase year-on-year, which is indicative of the higher levels of commercial and industrial activity given that these segments account for around 50% of the power consumed. On a monthly basis, however, consumption was 2% lower in October'20 from that in September'20 and can in large part be attributed to the lower consumption by households in the northern regions with the seasonal drop in temperatures.

In terms of regional demand, the western, southern and north-eastern regions saw a rise in electricity consumption inOctober'20 from a month ago while the northern and the eastern witnessed a decline. Electricity consumption in the western and southern region, which are the most industrialised regions of the country, witnessed a monthly increase of12% and 4% respectively, attesting to the higher levels of industrial and commercial activity there following the easing of lockdowns. Consumption in these regions during the month was the highest in 7 months.

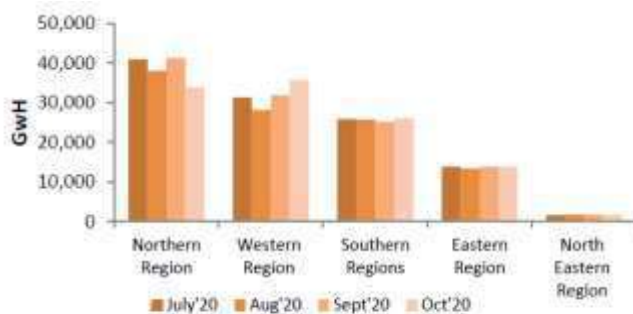
The increase in the consumption in the western and southern region was however offset by the sharp decline in the northern region - a monthly reduction of 18% which can be attributed to climatic conditions (cooler weather).

### Electricity consumption



Source: POSOCO

### Region-wise electricity consumption



Source: POSOCO

(Source: CARE Ratings Limited - Power Sector Update (Economics) dated November 9, 2020)

### Capacity Addition

Even though the Indian power sector continues to be dominated by conventional sources of energy (coal, diesel, gas, nuclear and large hydro), which accounts for nearly 3 quarters of the country's installed power generation capacity, there has been a progressive shift towards renewable sources (wind, solar, bio and small hydro). In the last 5 years, the share of renewable energy (wind, solar, bio power and small hydro) in installed capacity has increased from 11.8% (32 GW in March 2015) to 23.5% (87 GW in February 2020). On the other hand, the share of thermal sources viz. coal in installed capacity has been on the decline – from 61% to 55% during this period.

The capacity addition of renewable energy sources has grown at a CAGR of 22% in the 5 year period to February 2020. Within renewable energy, the capacity addition by solar power has grown the fastest – at a CAGR of 67% during this period. It accounted for 47% of the new capacity addition in 2019-20, surpassing the 30% of conventional power sources such as coal.

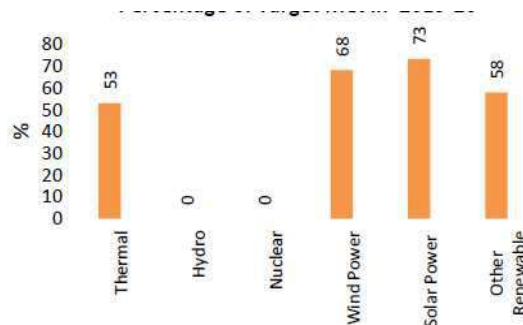
### Addition to installed capacity



Legend: Total Addition to Installed Capacity (Dark Orange), Conventional Energy Source (Light Orange)

Source: provisional data CEA (conventional energy) and MRNE (renewable energy)

### Addition to installed capacity: Percentage of Target Met in 2019-20\*



Source: CEA (provisional) & MNRE.

Thermal, Hydro and Nuclear: April'19-Jan'20

\*Wind Power, Solar Power and Other Renewable achievement: Apr'19-Feb'20

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

### Impact of Corona Virus Pandemic

As per CARE, the domestic power sector is feeling the impact of the global spread of the virus and the resultant lockdowns. It has not only led to a fall in electricity consumption, but has impacted the supply of key inputs for generators which would lead to project delays and thereby time and cost overruns. It is also adding to the financial stress of power producers and distribution companies. The severity of the impact is difficult to ascertain given the uncertainty associated with containing the spread of the virus. (Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)



## Key policies announced in 2019-20

- Removed end-use restrictions for participating in coal mine auctions and open up the coal sector fully for commercial mining by domestic and global companies (The Mineral Laws (Amendment) Bill, 2020)
- Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism (PSM) under Power Purchase Agreements (PPAs) by DISCOMs.
- Treat letter of comfort (undertaking) issued by state-run firms such as PFC, REC and IREDA at par with bank guarantees to reduce procedural delays for bidding in clean energy projects
- Removed tariff cap on solar and wind power auctions

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

## Coal Production

India's coal production continued to increase y-o-y for the third straight month ended October 2020. Coal production grew by 13.7% year-on-year to 50.7 million tonnes in October 2020. During April-October 2020, coal production stood at 304.9 million tonnes (mt) compared to 316 mt. in the corresponding period of FY20, down by 3.5%. Coal production was impacted during April-July 2020 due to the Covid-19 induced lockdown which hampered demand from the user industries. During this period coal production fell by 13.6% as compared to the corresponding period in 2019. However, with easing of lockdown restrictions industrial activity picked up and coal production also saw substantial growth from August 2020 onwards. Coal production registered 13.5% growth during Aug-Oct 2020 compared to the corresponding year-ago period.

Power sector is the largest demand driver of coal as 70% of power generation in India is coal-based. Electricity generation fell for six consecutive months during March to August 2020 on a y-o-y basis due to fall in industrial activity. Consequently demand for coal from power sector also declined. However, the declining trend reversed in September 2020 and electricity consumption grew by 6% and generation by 4.4% as compared to September 2019. Also the increased power generation was largely driven by coal based power plants which rose to 7 months high in September while generation from renewable energy sources fell to 10 months low. Coal-based thermal power generation grew by a sharp 9.5% y-o-y in September 2020 which boosted demand for coal.

(Source: CARE Ratings Limited – Coal Update – October 2020)

## Volume of Domestic Coal Production, Import of Coal, Steel, Cement and Electricity

	Production			% change		
	FY18	FY19	FY20	FY18	FY19	FY20
Domestic coal output (mt)	689	728.7	729.1	2.6%	7.9%	0.1%
Imports (mt)	213	235.3	243	8.9%	13%	3.3%
<b>Total (mt)</b>	<b>902</b>	<b>964</b>	<b>972.1</b>	<b>4.1%</b>	<b>9.1%</b>	<b>0.8%</b>
Steel output (mt)	106	110.9	109.2	5.6%	7.6%	-1.5%
Cement output (mt)	298	337	334	6.3%	13.3%	-0.8%
Thermal power generation (bu)	1,037	1,072	1,044	4.3%	3.4%	-2.6%

MT- Million Tonnes BU- Billion kWh Source: Ministry of Coal, CEA, Office of the economic advisor

(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)

India's production of coal grew by a marginal 0.1% to 729.1 million tonnes (Provisional) in FY20 as compared to 7.9% growth in FY19, mainly due to prolong excessive rainfall hampering mining operations. Coal production could have possibly registered a decline if not for increased coal output in the final three months of FY20.

The Covid-19 induced lockdown which came into effect from 25 March brought many business activities across the country to a near standstill. Mining was classified as an essential industry and allowed to remain operational through the lockdown period. However production was impacted due to shortage of labour force as many left for their hometown in the wake of the Pandemic. Besides, halt in business activities sharply reduced the demand for power.

Almost 70% of power generation in India is coal-based. Power sector consumes about 70% of total coal produced in India. Electricity generation (excluding renewables) fell 25.4% y-o-y to 81.5 billion units in April with thermal PLFs facing larger impact than renewables given the higher variable costs and must-run status to renewables, nuclear and hydro power generation. Coal-based power generation fell by a sharper 31.7% y-o-y in April 2020. Thermal plant load factor (PLF) declined to 42.4% in April 2020 on account of lower demand.

(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)

**Depressed demand and narrowing of electricity deficit**

There has been a discernible decline in the country’s electricity demand in 2019-20. India’s electricity demand during April’19 – February’20 grew by 2.2% (to 1191 billion units) compared with the 5.4% annual growth in the same months of last year. Similarly, the peak power demand during the first 11 months at 1,85,425 MW grew by 4.7% which is 3.1% lower than 7.9% growth of year ago (April’18-February’19).

The decline in electricity demand in 2019-20 can in large part be attributed to the slowdown in the domestic economy and the consequent lower energy requirement by the industrial and commercial sectors of the country.

The domestic economic growth slipped to an 8 year low of 5.1% in the first 9 months of 2019-20 and the growth in industrial output during April’19-January’20 at 0.5% too was at an 8 year low. The industrial sector is the largest consumer of electricity in the country accounting for 41% of total demand (as per the 2018-19 estimates by theCEA) and lower growth here has a direct bearing on overall power demand. The extended and abundant monsoons this year too weighed on power demand, especially from agriculture (accounts for 18% of demand) and the household (25% of demand) segments.

Softening electricity demand is weighing down the generation and distribution side of the domestic power sector value chain. Electricity demand in the coming months is expected to be further pressured on account of the economic disruptions caused by the Corona virus pandemic.



(Source: CEA and POSOCO)  
 (Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

There has been a steady narrowing in the domestic electricity deficit i.e. the difference between demand and supply (or requirement versus availability) over the years. The energy deficit in the 11 month period of April’19 –February’20 at 0.51% was the lowest in the last 5 years. On a year on year basis, the deficit narrowed by 0.08%.

The electricity deficit in India has seen a notable decline from 2.2% in 2015-16. The electricity deficit, despite the increase in generation capacity and regional grid connectivity, can be attributed to the inability of the DISCOMs to buy power owing to their substantial dues to power generators (Rs. 88,311 crs as of end January’20).



(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

### **Increased power purchases from power exchanges and fall in prices of short term electricity purchase**

Market participants, including state power distribution companies, have been increasingly turning to the power exchanges to meet their short term power requirements. The power exchanges accounted for 45% of the short term electricity transactions of the country in January'20, 14% higher than that in January'19. The volume of electricity transacted on the power exchanges (IEX and PXIL) in the DAM (day ahead market) was 4.6% of the total electricity supplied in the country in January'20, a 1.4% increase from that in January'19.

The higher volume of trade on the exchanges has led to better market price discovery in the short term market. The average price of electricity purchased (day ahead market) on the power exchanges has declined by 9.5% to Rs.2.91 per unit during April'19-February'20. The lower prices on the power exchanges relative to the prices of the long term power purchase agreements (PPA) with generators has prompted state DISCOMs to increasingly replace their costlier power purchase with exchange procurements.

**Average price of electricity in the day ahead market**



Source: IEX

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

The lower consumption has led to a decline in prices of short term electricity purchases on the power exchange. The average price of electricity purchased in the day ahead market at Rs.2.21/unit was 15% lower than that on 16 March'20. The volume of trades too has fallen – by 33% during this period.

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

### **Government measures**

In recognition of the impact of the pandemic, the government has announced some relief measures for the power sector. The RBI too has announced measures for the overall economy that benefit the power sector too.

- Delay on account of disruption of the supply chains due to the spread of coronavirus in China or any other country to be treated as Force Majeure for all renewable energy projects.
- 3 month moratorium on DISCOMS making payment to generating and transmission companies and waiver of penalty for late payment
- Till 31 May'20, the payment security mechanism to be maintained by the DISCOMS with the generators for dispatch of power to be reduced by 50%.
- Generation/ Transmission Companies to continue supply/transmission of electricity even to DISCOMS which have large outstanding dues.
- Ensure adequate supply of coal to facilitate uninterrupted supply of electricity.

- 3 months moratorium in respect on all term loans of commercial banks, all India financial institutions and NBFCs outstanding as on 1 March 2020.
- Deferment of interest on working capital facilities for a period of 3 months for all facilities outstanding as on 20 March, 2020.

(Source: CARE Ratings Limited – The Indian Power Sector in 2019-20 (Economics) dated March 31, 2020)

## Energy Outlook Financial Year 2021

### Coal

#### Production

India's coal production picked up marginally by 3% in May 2020 over the previous month as India slowly opened up for the businesses but it was still down sharply from year-ago levels. On a y-o-y basis, coal output fell by 15% in May 2020.

#### Coal Production and off-take, power and steel output in April and May

	Period	y-o-y change
Domestic coal output	Apr-May 2020	-14.8%
Coal off take/ dispatches	Apr-May 2020	-27%
Thermal power generation	April 2020	-28.5%
Crude Steel	April 2020	-65.2%

Source: CEA, Ministry of Coal

(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)

India's coal import remained low during the first five months on the on-going FY21. However, coal imports rose 11.6% to 19 mt in September 2020 on the back of resumption in demand from thermal power sector and other user industries like steel and cement as well as lower international coal prices.

(Source: CARE Ratings Limited – Coal Update – October 2020)

#### E-Auctions

E-auction coal prices continued to fall for the second consecutive year ended FY20 in line with fall in international coal prices, sufficient coal stocks and slump in demand.

#### E-Auction of coal

(In million tonnes)	FY18	% change	FY19	% change	FY20	% change
Spot E-auction	55.2	2.8%	34.3	-37.7%	29.8	-13.1%
E-auction for power	28.9	-38.7%	27.1	-6.2%	27.1	0%
E-auction for non-power	11.1	76.2%	11.4	2.7%	8	-29.8%

Source: Ministry of coal

(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)

Coking coal prices have fallen 25% since February 2020. Lower demand from the steel sector impacted prices of coking coal.

#### Coal De-regulation

The Indian government approved auction of coal mines to private sector (domestic and foreign) for commercial mining,

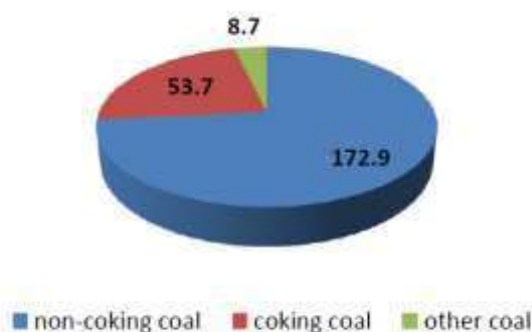
without any end-use restriction while announcing the stimulus package for the Covid-19 hit Indian economy.

Some of the measures announced are as follows:

- The government plans to auction around 50 mines immediately and more in the medium term.
- The auctions for allocation of coal blocks will be based on the principle of revenue sharing instead of the regime of fixed royalty/tonne.
- The bidders would be required to bid for a percentage share of revenue payable to the government.
- The floor price shall be 4%.
- There will be no eligibility criteria, except for the capacity to pay up-front.
- Companies that start early production from the blocks will be offered 50% rebate on revenue share payable to the government.
- 500 blocks of minerals will be auctioned "through open transparent mechanism" as a part of the production regime
- The distinction between captive and non-captive mines will be removed to allow the transfer of mining leases and sale of surplus unused minerals.
- Rationalisation of stamp duty payable at the time of award of mining leases
- Joint auction of bauxite and coal mineral blocks to enhance aluminium industry's competitiveness
- Introduction of a seamless exploration-cum-mining-cum-production regime.
- Investment of Rs 50,000 crore on augmentation of evacuation infrastructure.
- Relief of Rs 5,000 crore for Coal India customers—by offering concession in commercial terms in two ways: reduced reserve price in auction for non-power customers; and easier credit terms.
- Coal gasification/liquefaction to be incentivised through rebate in revenue share.
- Coal bed methane extraction rights to be auctioned from Coal India's coal mine

India has the world's fourth largest coal reserves, however, the country meets about one fourth of coal requirements through imports, with import of around 243 million tonnes in FY20, about half of which can be substituted with domestically produced coal. This is mainly due to shortfall in domestic coal production and logistical constraints in evacuation infrastructure.

**Share of import of coking and non-coking coal in FY19 (in million tonnes)**



*(Source: DGCIS, CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)*

The move to allow private sector participation in commercial coal mining which till now has remained the domain of the public sector will help in curbing imports and improve domestic production of coal in the medium to long-term. Aluminium, steel, cement and power companies have been buying coal at a premium in auctions.

*(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)*

### ***Outlook for Coal***

CARE Ratings expects decline in PLFs of thermal power plants to below 53% during FY21 on account of subdued demand from industrial and commercial segments and gradual ramp-up in economic activity post COVID-19 lockdown.

Non-coking coal imports are expected to come down in FY21 given increased availability in the domestic market. Premiums in recent e-auctions conducted by CIL have become virtually nil which along with relaxed payment terms is benefiting the coal off-takers.

Coal demand from thermal power plants is expected to remain subdued in the short-term given the high inventory levels and lower PLFs.

*(Source: CARE Ratings Limited – Coal Update (Industry Research) – June 2020 dated June 15, 2020)*

### ***Natural Gas***

#### ***Domestic Natural Gas production, imports and consumption during H1 FY 2021***

Domestic production from onshore fields was around 34% while CBM fields contributed around 2% of the total natural gas production during H1-FY21. Major part of the output however was from the offshore gas fields which constituted around 64% of the total domestic natural gas production. National Oil Companies (“NOCs”) have contributed around 88% of the total domestic output whereas Production Sharing Contract (“PSC”) fields have contributed the remaining around 12%.

Domestic natural gas production has declined sharply by 12.8% during H1-FY21 as compared with the 1.5% fall registered during H1-FY20. Cumulative fall in production is mainly due to restricted gas off take by consumers due to the on-going COVID-19 situation. Cumulative production was also down due to bandh/blockade by local people /union /association after the blow out at the Baghjan well.

Consumption of natural gas fell sharply by 8% on a y-o-y basis during H1-FY21. Natural gas is used as a fuel (energy) and as a feedstock (non-energy) by the respective end user industries. Demand for natural gas in the domestic market is largely dependent on the fertilizer (32%), power (20%), CGD entities (11%) industries and other miscellaneous industries like petrochemicals, teas industry, LPG shrinkage etc. Except in the case of urea production, there has been a fall in power generation, drop in the demand for CNG refuelling, fall in refineries throughput and fall in petrochemical production during H1-FY21. Consumption of natural gas at the moment has recovered upto 92% of its pre-covid levels.

Imports of natural gas in the form of LNG fell by 3% as compared with the 8.9% increase during H1-FY20. Import dependency based on consumption has increased to 54.1% during H1-FY21 as compared with it being 51.4% during H1-FY20. India has imported LNG from Qatar, Nigeria, UAE and Nigeria.

The overall macros of the natural gas industry are still below its pre-COVID levels but on the other hand the situation seems to be improving with the subsequent unlocking of the economy. In September’20 the imports of LNG has increased by 6.2% and consumption has declined by only 1.7% on a y-o-y basis.

#### **Domestic Production, Consumption and Imports of Natural Gas (Unit: MMSCM)**

			Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21
Production	16,005	13,954	-1.5%	-12.8%
Imports	16,417	15,919	8.9%	-3.0%
Consumption	31,955	29,411	3.3%	-8.0%

Source: PPAC, CARE Ratings Limited – Natural Gas H1-FY21 update (Industry Research) dated October 22, 2020

### **Cabinet approves ‘Natural Gas Marketing Reforms’**

The government has allowed complete marketing freedom for natural gas produced from non-regulated fields with the Union Cabinet approving a standard e-bidding procedure to discover price of gas from new production areas and high-pressure, high-temperature fields.

The policy aims to provide standard procedure for sale of natural gas in a transparent and competitive manner to discover market price by issuing guidelines for sale by contractor through e-bidding. It is slated to bring uniformity in the bidding process across the various contractual regimes and policies in order to avoid ambiguity and contribute towards the ease of doing business & more competition in marketing of gas. Under the new gas price discovery mechanism, the producing companies will not be allowed participate in the bidding process but its affiliate companies can participate. The policy will also grant marketing freedom to the Field Development Plans (FDPs) of those Blocks in which Production Sharing Contracts already provide pricing freedom. All discoveries and field development plans approved after February 28th, 2019 have been given complete market and pricing freedom.

This however won't have any impact on the existing pricing formula (New Domestic gas policy) for natural gas under the administered price mechanism, which the government came out with in November 2014 (which is applicable to gas produced from nomination fields).

(Source: CARE Ratings Limited – Natural Gas H1-FY21 update (Industry Research) dated October 22, 2020)

### **Outlook for Natural Gas for Fiscal 2021**

The gross production of domestic natural gas is to fall by 10.6% during FY21. Production has fallen by 0.7% during FY19, 5.9% during FY20 and by 12.8% during H1-FY21.

- E&P prospects in FY21 do not look promising as no company would aggressively want to increase production or get into high risk projects with such a low gas price.
- Currently (H2-FY21) the price for gas produced from local fields has been revised to USD 1.79/mmBtu which is the lowest price ever set as the New Domestic Gas Policy and is even below the breakeven point for most fields. Unlike crude oil prices which are dependent on market forces of demand and supply, domestic natural gas prices will remain fixed till 31st March 2021.

Consumption of Natural Gas is to fall by 3.2% by the end of FY21. Domestic natural gas consumption had grown by 2.7% during FY19, 5.2% during FY20 and fallen by 8% during H1-FY21.

- The demand for natural gas is to be subdued on account of subdued sales of CNG, weaker demand from gas-based power plants on account of fall in electricity demand and a cut in refinery throughput by oil refiners.
- Demand only to be supported by the increase in production of urea. Sales of urea have been increasing on account of a good kharif season.
- Use of natural gas in the form of PNG will remain stable but it will not increase incrementally due to the timely completion of pipeline and city gas distribution projects as per the timelines mentioned in the subsequent CGD bidding rounds.

Imports of natural gas in the form of LNG are to fall by 2% due to the fall in domestic demand for natural gas. Up till now LNG imports have fallen by 3% during H1-FY21.

- LNG imports will only grow to the extent of plugging in the structural gap between gas demand and domestic production.

(Source: CARE Ratings Limited – Natural Gas H1-FY21 update (Industry Research) dated October 22, 2020)

## Crude Oil

### Domestic Crude Oil production, imports and consumption during H1-FY21

Fields operated by National Oil Companies (NOCs) have contributed around 76% of the total domestic crude oil production whilst the remaining 24% production has been undertaken by private companies during H1-FY21. Onshore fields constitute around 49% of the total crude oil production and the remaining 51% has been produced by offshore fields.

Domestic crude oil production fallen by 6.1% during H1-FY21 compared with the 5.8% de-growth achieved during H1-FY20. Technical mishaps due to COVID-19 implications such as unavailability of drilling equipment or installation of new platforms have led to the fall in production. Cumulative fall in production can also be ascribed to the environmental issues related to the Baghjan well blowout. Domestic production has been falling with the ageing of existing fields and muted response from the industry to take up new projects, mainly due to lack of adequate incentives.

India imported 3.5 mb/d during H1-FY21 compared with 4.5 mb/d during H1-FY20. Imports of crude oil have fallen due to the fall in demand of petroproducts as refiners have curtailed their refinery capacity utilisation. Import dependency of crude (on consumption basis) has declined to 82.4% during H1-FY21 from it being 84.7% in the same period in the previous corresponding year. Value of crude oil imported has fallen by 41.8% during H1-FY21 to USD 22 billion. India imported crude mainly from Iraq, Saudi Arabia, Kuwait and UAE. OPEC's share of exports during H1-FY21 was around 74%, its' lowest due to the mega production cuts undertaken by the cartel.

Crude throughput of refineries processed 4.0 mb/d during H1-FY21 compared with 5.0 mb/d during H1-FY20. Capacity utilisation was around 80% compared with the 101% capacity utilization achieved in the same period in the previous corresponding year. Fall in demand has led to refiners trimming their capacity utilisation. A few state owned refineries have also gone for maintenance shutdown in order to remain afloat and protect margins. Percentage share of HS crude in total crude oil processing was around 72.7% during H1-FY21 as compared with the 74% processed during H1-FY20.

The overall macros of crude oil have not reached its pre-covid levels but the demand-supply and trade situation seems to be narrowing with every passing month as the economy is opening up /unlocking in a phased out manner. Capacity utilization of refineries is improving as with every subsequent unlock of the economy the demand for petroleum products is also increasing.

### Domestic Production, consumption and imports of Crude Oil (Unit: million barrels)

			Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21
Production	120	113	-5.8%	-6.1%
Imports	817	649	0.0%	-20.5%
Consumption	921	734	-2.3%	-20.3%

Source: PPAC, MOPNG

(Source: CARE Ratings Limited – Crude Oil H1-FY21 update (Industry Research) dated October 22, 2020)

### Outlook for crude oil for Fiscal 2021

Crude oil production for FY21 is to fall by 7.3% given the sharp fall in oil prices, crude oil explorers are dissuaded to carry on with exploration. Domestic production has fallen by 4.2% during FY19, 5.9% during FY20 and by 6.1% during H1-FY21.

- With the ongoing COVID-19 pandemic, crude oil prices have fallen sharply which is far below the breakeven price for domestic explorers.
- Oil prices have been range bound between USD40-USD44/bbl which isn't lucrative for domestic upstream oil players as it will impact their realizations.

Consumption of crude oil is to fall by 7.3% during FY21 as processing of crude oil undertaken by refiners has fallen light of subdued demand for consumption of petrol-products given the sharp fall in demand in the domestic and global economy.

Consumption of crude oil is likely to come down to around 4.73 mb/d during FY21 as compared with the 5.09 mb/d consumed during FY20. Currently India has consumed 4.0 mb/d.

- With the spread of the contagion in the Indian economy, Indians have become awry to travel which is impacting the incremental need for transportation fuels.
- Indian refineries usually operate more than their listed nameplate capacity but given the current situation most of them are not operating up to their full capacity in order to contain the level of rising inventories and in order to protect their margins.
- Refiners are expected to increase their capacity in the coming months as the economy has been unlocking in a phased manner which is also coinciding with the upcoming major Indian festivals, a potential demand driver for the need of petroleum products.

Imports of crude oil are to fall by 8.9% during FY21 (4.14 mb/d) given the lack of demand of crude oil by Indian refiners.

India had imported 4.5 mb/d during FY20 and is importing around 4.0 mb/d currently.

- Refiners have almost stocked up on cheap crude oil as directed by the government but even as the country is in its unlock phase there won't be an incremental demand for oil products anytime soon.
- Due to the fall in demand and import dependency based on consumption is also likely to fall from the previous 85%. Currently import dependency based on consumption is 82.4%.

*(Source: CARE Ratings Limited – Crude Oil H1-FY21 update (Industry Research) dated October 22, 2020)*

## OUR BUSINESS

### BUSINESS

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

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

### OVERVIEW

Our Company is one of the leading financial institutions in India, focused on the power sector. Our Company plays a strategic role in the initiatives of the GoI for the development of the power sector in India and works with GoI agencies, state governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and for structural and procedural reforms in the power sector in India. In addition, our Company is involved in various GoI programs relating to the power sector, including acting as the nodal agency for the UMPP program, the IPDS/R-APDRP (now subsumed under the IPDS) and funding DISCOMs under the COVID 19 liquidity package.

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

- services ranging from project conceptualization to the post-commissioning stage, including generation (conventional and renewable), transmission and distribution projects, and related renovation and modernization projects;
- various forms of fund-based assistance, including long-term project finance, short-term loans, buyers' lines of credit, underwriting of debt and debt refinancing schemes;
- various forms of non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort; and
- various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFC Consulting Limited.

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

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) “CRISIL AAA/Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “CRISIL A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) “[ICRA]AAA” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “[ICRA]A1+” rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) “CARE AAA; Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore. International credit rating agencies Moody's and Fitch have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of “Baa3 Negative”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Negative”.

Our Company is a listed GoI company and a public financial institution under the Companies Act, 2013. Our Company is registered with the RBI as a non-deposit taking systemically important NBFC, and was classified as an IFC on July 28, 2010. We believe that our NBFC and IFC classifications enable us to effectively capitalize on available financing opportunities in the Indian power sector. In addition, as a GoI-owned NBFC, loans made by our Company to central and state entities in the power sector are exempt from the RBI's Concentration of Credit(exposure) norms that are applicable to other non-GoI-owned NBFCs until March 31, 2022. With effect from April 1, 2016, our Company is required to follow the applicable



provisions of RBI prudential norms for “Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies”, as notified from time to time. The latest prudential norms were notified in the RBI Master Direction dated September 1, 2016.

Our Company was granted the “Navratna” status by the GoI in 2007, and has received an “Excellent” rating from the GoI in each of the fiscal years beginning from Fiscal 2007. The assessment for Fiscal 2020 is ongoing.

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

- CBIP Award 2019 for ‘Best Power Finance Company’;
- 6<sup>th</sup> Governance Now Best PSU Award (Navratna) – 2019;
- Rajbhasha Kirti Pratham Puraskar Award (in category of Region ‘A’) for the year 2018-19;
- Construction Industry Development Council’s (CIDC’s) “Partners in Progress” Trophy for the year 2018;
- Amar Ujala “CSR Award” in 2018;
- First Prize in “Annual Report” category for Fiscal 2017 at the SCOPE CC Awards;
- One Globe Award for Excellence in Enabling a Mobile Economy for the URJA application at the 6th Annual One Globe Forum (2017);
- Featured in the 2017 Fortune India 500, a list of India’s largest corporations;
- Dun & Bradstreet “India’s Leading NBFC (2019) Award” in the “Infrastructure Financing”;
- Dun & Bradstreet (D&B) Award for Best PSU in ‘Financial Services’;
- SCOPE Gold Trophy for Good Corporate Governance”, 2017;
- Winner, Financial Services – NBFC category at the 2016 Dainik Bhaskar India Pride PSU Awards;
- SCOPE Corporate Communication Excellence Award 2019 in Best Annual Report category;
- Swachh Bharat Award 2019 for significant contribution under Swachh Bharat Kosh;
- Rajbhasha Kirti Pratham Puraskar for the year 2018-19;
- National CSR Award in the category of ‘Environment, Sustainable Development & Solar Energy’;
- Asia’s Most Trusted Companies Award 2019 by IBC;
- Governance Now PSU Award in the category of Resilient Growth;
- Rajbhasha Kirti Pratham Puraskar Award (in category of Region ‘A’) 2019-20;
- Gold Award for “Best Performing PSU” at SKOCH Awards in the year 2020; and
- ‘Beacons of Hope’ - Certificate of Merit for its immense contribution on project for relief activities during COVID-19.

### **Key Ratios (according to IND AS)**

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

<b>Particulars</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
Yield on interest bearing loan assets (%)	10.62	10.63
Cost of Funds (%)	7.95	7.79
Interest Spread (%)	2.67	2.83
Net Interest Margin (%)	3.37	3.17
Return on net worth (%)	17.33	12.79
Earnings per share (annualized) (Face value of ₹ 10 per share)	26.25	21.42
Book value per share (Face value of ₹ 10 per share)	163.96	171.07

*Yield = Ratio of interest income to average interest earning loan assets.*

*Cost of funds = Ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized.*

*Interest spread = Yield minus cost of funds.*

*Net interest margin = Ratio of net interest income, without foreign exchange fluctuation gain/loss amortized to average interest earning loan assets.*

*Return on average net worth = Ratio of PAT to average net worth.*

### **KEY OPERATIONAL AND FINANCIAL PARAMETERS**

A summary of the key operational and financial parameters for the last three completed financial years of the Company, which comprises: (a) key operational and financial parameters for Fiscals 2020 and 2019 as per Ind AS (b) key operational and financial parameters for Fiscal 2018 and 2017 as per Indian GAAP, and (c) key financial parameters for the quarter and half year ended September 30, 2020 as per the Limited Review Financial Results are as under:

*(₹ in crore, except for % figures)*

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2020	2019	2020	2019
	IND AS	IND AS	IND AS	IND AS
Net worth	49,399.80	47,121.25	45,164.13	43,287.99
Total Debt at Amortised Cost	5,96,563.22	5,39,487.53	3,10,274.68	2,95,238.72
Other Financial Liabilities	29,230.26	24,649.19	5,375.16	5,327.84
Derivative Financial Instruments (Liabilities)	1,925.55	664.99	599.82	505.59
Other Non-Financial Liabilities	635.57	707.46	373.47	495.55
Property, Plant & Equipment & Intangibles (including CWIP)	526.28	394.16	31.76	28.33
Investment Property	0.01	0.01	-	-
Cash and Cash Equivalents and Other Bank Balances	4,188.17	16,331.44	198.99	14,155.01
Derivative Financial Instruments (Assets)	5,182.27	2,370.56	1,863.42	567.98
Investments	3,853.72	4,603.77	16,473.32	16,586.20
Loans (Assets)	6,46,196.11	5,73,661.28	3,34,112.60	3,03,210.36
Other financial assets	27,599.43	23,761.47	5,339.12	5,376.40
Other non-financial assets	263.94	393.50	128.87	242.09
Current and Deferred Tax Assets (s)	6,143.64	7,295.64	3,603.43	4,689.32
Interest Income	61,628.35	53,435.70	31,950.42	28,440.97
Dividend and Fee Commission Income	267.56	450.74	1,412.48	316.05
Other Income	379.45	270.39	8.16	9.29
Finance Costs	40,844.65	34,620.96	21,853.19	18,981.76
Fees and Commission Expense	36.20	44.47	10.76	10.09
Net translation/transaction exchange loss	4,991.32	1,041.42	2,633.42	520.23
Impairment on financial instruments	1,910.83	(625.73)	991.22	(871.48)
Other Expenses Including Employee benefits expense, CSR, Depreciation	1,094.32	994.39	388.98	394.90
Net loss on fair value changes	(673.20)	263.54	(699.05)	(84.98)
Share of Profit in JV and Associates	21.43	44.25	-	-
Tax Expenses	4,615.42	5,221.76	2,537.40	2,862.87
Profit for the Period	9,477.25	12,640.27	5,655.14	6,952.92
Other Comprehensive Income/Loss net of Tax	(888.61)	(267.75)	(334.63)	(206.97)
Total Comprehensive Income	8,588.64	12,372.52	5,320.51	6,745.95

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2020	2019	2020	2019
	IND AS	IND AS	IND AS	IND AS
Gross Stage 3 Assets (%) <sup>(1)</sup>	7.36%	8.37%	8.08%	9.39%
Net Stage 3 Assets (%) <sup>(2)</sup>	3.71%	4.43%	3.97%	4.85%
Tier I Capital Adequacy Ratio (%)	PFC – 12.45 REC-13.17	PFC -11.73 REC-14.44	12.45%	11.73%
Tier II Capital Adequacy Ratio (%)	PFC – 4.51 REC -2.89	PFC – 5.36 REC – 3.33	4,51%	5.36%

Notes:

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

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

(₹ in crore, except for % figures)

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2018	2017	2018	2017
	IGAAP	IGAAP	IGAAP	IGAAP
Net worth	40,201.74	36,844.91	39,860.67	36,470.21
Total Debt of which –	2,30,310.42	2,02,992.74	2,29,538.35	2,02,588.04
Non-Current Maturities of Long Term Borrowing	1,92,054.48	1,75,103.36	1,91,498.68	1,74,841.36
Short Term Borrowing	7,126.10	2,543.48	6,924.74	2,400.79
Current Maturities of Long Term Borrowing	31,129.84	25,345.90	31,114.93	25,345.89
Net Fixed Assets	782.06	401.82	64.83	62.57
Non-Current Assets other than Fixed Assets	2,42,350.13	2,08,484.96	2,41,977.84	2,08,167.10
Cash and cash Equivalents and Bank Balance	780.54	3,792.83	553.20	3,573.15
Current Investments	1,070.78	1,325.67	1,070.76	1,325.53
Current Assets except Cash & Bank Balances, Investments	43,191.52	45,532.18	42,798.54	45,333.10
Current Liabilities (other than Short term borrowings and current maturity of Long Term Borrowing)	9,182.86	10,642.05	8,601.61	10,347.28
Interest Income	25,870.01	26,333.11	25,820.86	26,270.08
Finance Costs	17,541.41	16,767.64	17,204.85	16,432.69
Provisioning and write-offs	570.02	5,112.33	560.83	5,101.08
PAT	5,844.11	2,236.10	5,855.22	2,126.39
Gross NPA (%)	9.57	12.50	9.57	12.50
Net NPA (%)	7.55	10.55	7.55	10.55
Tier I Capital Adequacy Ratio (%)	17.11	16.33	16.98	16.20
Tier II Capital Adequacy Ratio (%)	3.01	3.08	3.01	3.08
Total Loan Assets (net)	2,73,223.12	2,40,545.92	2,72,812.16	2,40,169.02
Capital Adequacy ratio (%)	20.12	19.41	19.99	19.28
Return on Net Worth (average)	15.17%	6.14%	15.35%	5.89%
Debt equity ratio (times)	5.73	5.51	5.76	5.55
Total Assets	2,88,175.03	2,59,537.48	2,86,465.17	2,58,343.58
Return on Total Assets (Average)	2.13%	0.88%	2.15%	0.84%

(₹ in crore)

Particulars	Consolidated				Standalone			
	As at and for the three months ended September 30, 2020	As at and for the three months ended September 30, 2019	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019	As at and for the three months ended September 30, 2020	As at and for the three months ended September 30, 2019	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
Total Revenue from Operations	18,158.29	15,529.60	35,072.34	30,126.08	9,231.00	8,022.54	17,988.67	15,600.43
Other Income	13.12	7.95	31.31	16.59	0.95	1.75	17.70	6.43
Total Income	18,171.41	15,537.55	35,103.65	30,142.67	9,231.95	8,024.29	18,006.37	15,606.86
Profit / (Loss) for the period (from continuing and discontinued operations)	4,289.74	2,497.10	7,846.97	5,396.83	2,085.05	1,157.26	3,784.61	2,540.02
Basic and diluted EPS (in ₹)	12.31	7.08	22.47	15.36	7.90	4.38	14.34	9.62

#### Debt – Equity Ratio (Outstanding Borrowings / Net Worth)

Parameters	Standalone Basis
Before the Issue (As on September 30, 2020)	6.57
After the Issue of NCDs*	6.77

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

For further details, please see “Capital Structure - Debt-Equity ratio” on page 57 of the Shelf Prospectus.

#### COMPETITIVE STRENGTHS

We believe that the following are our principal strengths:

*Comprehensive financial assistance platform focused on the Indian power sector*

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

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

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

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

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

Further, the Finance Minister on May 13, 2020 announced a ₹ 20 Lakh crore stimulus package aimed at spurring growth and building a self-reliant India and aimed at combating the COVID-19 pandemic induced stress. In order to address liquidity issues in the power sector value chain, the Government of India has mandated our Company and our Subsidiary, REC, to disburse ₹ 90,000 crore to DISCOMs under the DISCOM Liquidity Package.

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

### ***Operational flexibility to capitalize on both fund raising and lending opportunities***

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

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

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

In July, 2010, our Company was classified as an IFC, a distinct category of NBFCs that is primarily engaged in infrastructure financing. We believe our classification as an IFC enables us to increase lending exposures to individual entities, corporations

and groups, compared to other NBFCs that are not IFCs. We also believe that this results in significant competitive advantages in providing project financing for large, long-gestation power sector projects. For example, an IFC is entitled to lend up to 25.00% of its owned funds to a single borrower in the infrastructure sector, compared to 20.00% of owned funds by other NBFCs categorized as a “loan company”. As an IFC, our Company has to maintain minimum level of CRAR of 15.00% (with a minimum Tier I capital of 10.00%). For further information relating to the IFC category of NBFCs, see “Regulations and Policies” on page 113 of the Shelf Prospectus.

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

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) “CRISIL AAA/Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “CRISIL A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) “[ICRA]AAA” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “[ICRA]A1+” rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) “CARE AAA; Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 98,000 crore, and (b) “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore. International credit rating agencies Moody's, and Fitch have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of “Baa3 Negative”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Negative”.

We believe that our financial strength and favorable credit ratings facilitate access to various cost competitive funding options. Our borrowings reflect various sources, maturities and currencies; and include bonds, term loans and commercial paper. Subject to certain conditions, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs up to U.S.\$ 750 million each fiscal year. We also have access to various international funding sources including the Asian Development Bank and KfW Development Bank. Our average cost of funds in Fiscals 2018, 2019 and 2020 was 8.21%, 7.95% and 7.79%, respectively, which we believe is competitive.

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

#### ***Comprehensive credit appraisal and risk management policies and procedures***

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

We believe that our comprehensive credit appraisal and project monitoring processes also result in strong collection and recovery. As of March 31, 2020, **87.89%** of our outstanding loans to Central and State sector borrowers provide for an escrow mechanism, which ensures that in case of default in payment of dues to us by such borrowers, the escrow agent is required to make available the default amount to us on demand.

#### ***Track record of consistent financial performance and growth***

We believe that we have a track record of consistent financial performance and growth, which enables us to capitalize on attractive financing opportunities in the Indian power sector. Our total loan assets increased from ₹ 2,78,914.76 crore as of March 31, 2018 to ₹ 3,44,904.57 crore as of March 31, 2020. In addition, our loan asset portfolio has increasingly diversified by sector and customer base. As of March 31, 2020, 83.36% of our total loan assets related to government sector borrowers, while 16.64% related to private sector borrowers. As of March 31, 2020, 68.76%, 8.45%, 22.02% and 0.77% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, short-term loans, buyer lines of credit, studies and funding of regulatory assets), respectively. As of March 31, 2020, our top five, ten and twenty borrowers represented 28.06%, 41.41% and 59.90%, respectively, of our total loan assets.

Our total income increased from ₹ 26,737.74 crore in Fiscal 2018 to ₹ 33,371.06 crore in Fiscal 2020, and our profit after tax decreased from ₹ 5,855.22 crore to ₹ 5,655.14 crore in the same period. Our RoA and RoNW were 1.60% and 12.79%, respectively, in Fiscal 2020, while NIM (on earning assets) was 3.17% in the same period. As of March 31, 2020, our net worth was ₹ 45,164.13 crore, while our capital adequacy ratio was 16.96%. For the six month period ended September 30, 2020, our total income was ₹ 18,006.37 crore, and our profit after tax stood at ₹ 3,784.61 crore.

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

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

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

## **STRATEGIES**

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

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

### ***Strategically expand business and service offerings***

#### ***Consultancy and other fee-based services***

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

#### ***Debt Syndication***

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

### ***Broaden loan asset base and borrower profile***

#### ***Private sector projects***

As of March 31, 2018, 2019 and 2020, 18.21%, 17.04% and 16.64%, respectively, of our total loan assets were related to

private sector projects. We intend to continue to provide financial assistance to private sector generation, transmission and distribution projects to further diversify our borrower profile.

#### *Hydro projects and renewable energy*

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

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

We continue to provide financing for public and private sector renewable energy generation projects. Our total loan assets outstanding with regard to renewable energy projects aggregated ₹ 36,526.61 crore as of March 31, 2020. As of March 31, 2020, 10.59% of our total loan assets pertained to renewable energy projects.

#### *Forward and backward linkages to core power sector projects*

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

#### *Capital equipment manufacturers*

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

#### *Fuel sources and related infrastructure development*

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

#### *Continue to develop strategic partnerships and evaluate new business opportunities*

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

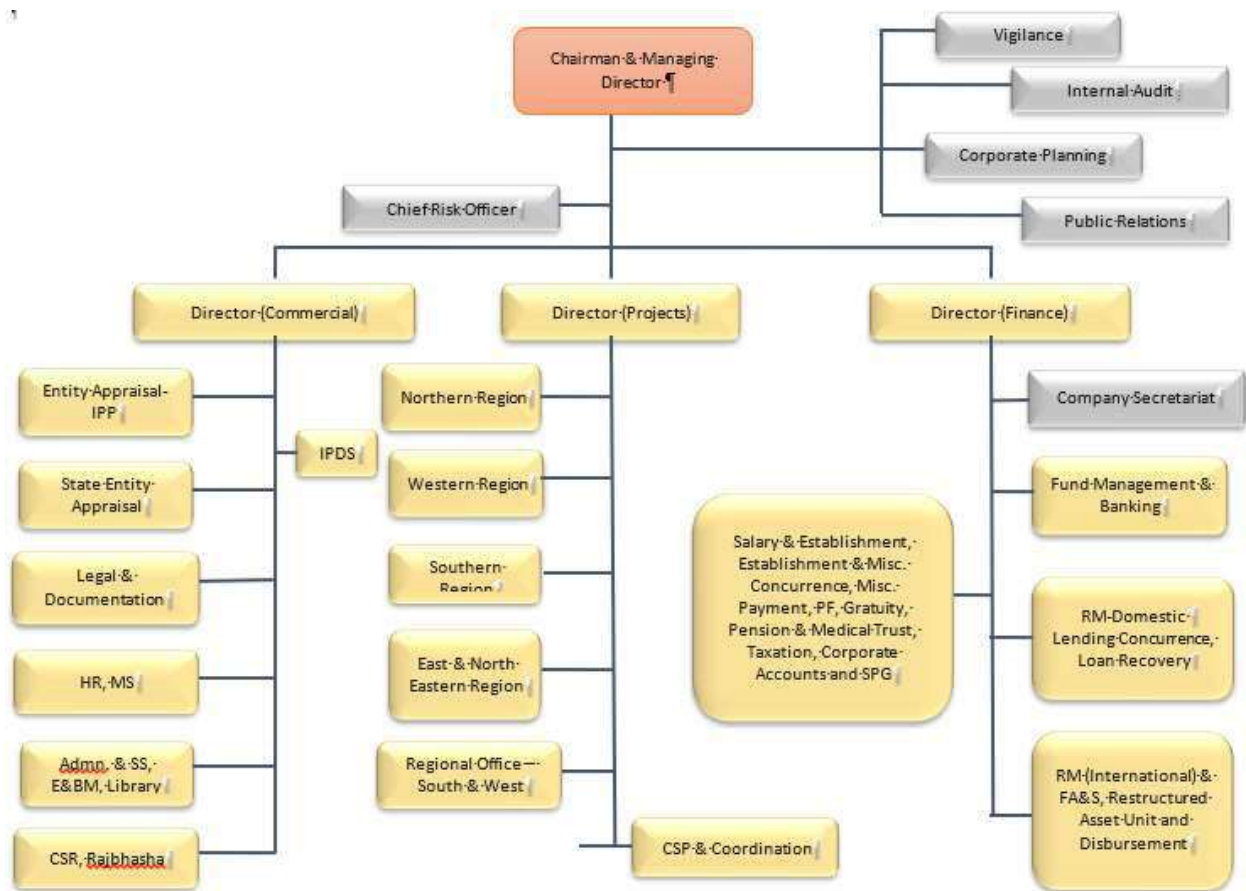
For details of our Joint Ventures and Subsidiaries, please refer to section titled "History and Certain Corporate Matters" on page 129 of the Shelf Prospectus.

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## CORPORATE STRUCTURE

The following chart presents the corporate structure of our Company:



## OUR MAJOR PRODUCTS

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

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## Fund-Based

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

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

(₹ in crore)

Particulars	As of March 31						As of September 30, 2020	
	2018		2019		2020		Amount	% of total
	Amount	% of total	Amount	% of total	Amount	% of total		
Rupee loans								
a) Term loans	2,67,027.34	95.73%	3,01,447.03	95.79%	3,33,699.45	96.75%	3,60,971.85	97.25%
b) Short term loans	11,646.43	4.18%	12,978.91	4.13%	10,964.13	3.18%	9,945.62	2.67%
Foreign currency loans	240.99	0.09%	240.99	0.08%	240.99	0.07%	240.99	0.064%
<b>Total</b>	<b>2,78,914.76</b>	<b>100.00%</b>	<b>3,14,666.93</b>	<b>100.00%</b>	<b>3,44,904.57</b>	<b>100.00%</b>	<b>3,71,158.46</b>	<b>100.00%</b>

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

(₹ in crore, except percentages)

Particulars	For the Fiscal						April 1, 2020 to September 30, 2020	
	2018		2019		2020		Amount	% of total
	Amount	% of total	Amount	% of total	Amount	% of total		
Term loans	53,270.60	82.70%	55,276.89	81.68%	56,947.29	83.75%	41,192.49	89.36%
Short term loans	11,143.23	17.30%	12,400.70	18.32%	11,050.02	16.25%	4,903.54	10.64%
<b>Total</b>	<b>64,413.83</b>	<b>100.00%</b>	<b>67,677.59</b>	<b>100.00%</b>	<b>67,997.31</b>	<b>100.00%</b>	<b>46,096.03</b>	<b>100.00</b>

### Rupee Term Loans

Rupee term loans (which comprise Rupee long-term loans and Rupee short-term loans) accounted for 99.91%, 99.92% and 99.93% of our total loan assets as of March 31, 2018, 2019 and 2020, respectively. We generally disburse funds either directly to a supplier of project equipment or services or by way of a reimbursement to the borrower against satisfactory proof of eligible expenditure on the relevant project, or through a trust and retention account.

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

Our Rupee term loan financings are generally secured in the case of public sector clients, including state utilities, either through a charge on the project assets or by a state government guarantee, or both. In addition to such security or guarantee, most of our loans to central and state sector borrowers provide for an escrow mechanism. For private sector clients, our Rupee term loan financings are secured through, among other things, a first priority *pari passu* charge on the relevant project assets, collateral such as pledge of shares held by promoters and/or personal or corporate guarantees, as well as trust and retention account arrangements. For further information, see “— Risk Management — Security Risk” on page 100 of the Shelf Prospectus.

Interest rates on Rupee term loans are notified to the borrower from time to time. Typically, there is an option to select interest rates with a reset option after every three years or ten years. We believe that our comprehensive credit appraisal and project monitoring processes also result in strong collection and recovery. As of March 31, 2020, 87.89% of our outstanding loans to Central and State sector borrowers provide for an escrow mechanism, which ensures that in case of default in payment of dues to us by such borrowers, the escrow agent is required to make available the default amount to us on demand.

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

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

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

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

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

### **Short-term loans**

We provide short-term loans to borrowers to meet their immediate funding requirements. Short-term loans accounted for 4.18%, 4.13% and 3.18% of our total loan assets as of March 31, 2018, 2019 and 2020, respectively. These loans are Rupee-denominated and primarily relate to the purchase of fuel for power plants, consumables, essential spares, emergency repair and maintenance of power plant and transmission and distribution infrastructure. Such short-term loans are also extended against receivables of the borrowers.

### **Other Fund-Based Assistance**

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

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

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

### **Non-Fund Based**

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

*Deferred Payment Guarantees.* We issue guarantees on behalf of certain power sector projects to guarantee their payment obligations for the debt availed for such projects. As of March 31, 2020, the total amount of Rupee-denominated default payment guarantees issued by us amounted to ₹ 444.09 crore.

*Letters of Comfort.* We provide letters of comfort against our sanctioned term loans to enable borrowers to establish a letter of credit with their banks. The letter of comfort is issued only in cases where it is a prerequisite for EPC contracts or equipment supply contracts of projects financed by us. The letter of comfort is issued after all other pre-disbursement

conditions have been complied with. As of March 31, 2020, we had outstanding letters of comfort aggregating ₹ 870.49 crore.

## PROJECTS WE FUND

Our project financing activities have been focused primarily on thermal and hydro generation projects, including financing of renovation and modernization of existing thermal and hydroelectric plants. Transmission and distribution projects financed by us include system improvements and projects involving provision of shunt capacitors and meters. We also focus on the promotion and development of other energy sources, including alternate and renewable fuels. As of March 31, 2020, 68.76%, 8.45%, 22.02% and 0.77% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, computerization, funding of regulatory assets, equipment manufacturer loan, loan against receivables, short-term loans, buyer lines of credit, etc.), respectively.

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

The following table provides territory-wise information relating to our total loan assets as of March 31, 2020:

*(Amount in ₹ Crore)*

State	Amount
Andhra Pradesh	32,329.89
Assam	364.92
Bihar	4,149.30
Chhattisgarh	21,557.79
Delhi	7,851.82
Goa	17.61
Gujarat	1,839.77
Haryana	3,834.68
Himachal Pradesh	1,338.44
Jammu & Kashmir	2,419.93
Jharkhand	3,839.97
Karnataka	17,176.98
Kerala	1,333.44
Madhya Pradesh	21,531.76
Maharashtra	20,319.46
Meghalaya	1,081.65
Mizoram	5.06
Nagaland	4.11
Orissa	5,722.99
Puducherry	39.89
Punjab	6,875.81
Rajasthan	38,469.73
Sikkim	9,469.45
Tamil Nadu	43,528.06
Telangana	44,006.60
Tripura	1,175.81
Uttar Pradesh	39,807.98
Uttarakhand	1,793.15
West Bengal	13,018.52

State	Amount
<b>Grand Total</b>	<b>3,44,904.57</b>

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

(₹ in crore, except percentage)

Particulars	As on March 31,					
	2020		2019		2018	
	Amount	% of total	Amount	% of total	Amount	% of total
<b>Generation</b>						
- Thermal	1,79,416.23	52.02%	1,73,428.61	55.11%	1,66,217.75	59.59%
- Hydro	17,703.41	5.13%	13,342.36	4.24%	14,047.67	5.04%
- Wind	7,869.40	2.28%	6,931.43	2.20%	5,792.58	2.08%
- Solar	10,486.02	3.04%	7,484.04	2.38%	5,523.66	1.98%
- RE: Bagasse	24.88	0.01%	24.88	0.01%	24.88	0.01%
- RE: Biomass	33.47	0.01%	33.47	0.01%	33.47	0.01%
- RE: Waste to Energy (Other than biomass)	409.43	0.12%	412.67	0.13%	290.00	0.10%
Corporate term loan	7,162.41	2.08%	6,673.43	2.12%	6,441.67	2.31%
<b>Renovation and modernization (generation)</b>						
- Thermal generation	4,575.12	1.33%	4,462.44	1.42%	4,495.46	1.61%
- Hydro generation	413.37	0.12%	420.54	0.13%	448.24	0.16%
Transmission (including R&M)	27,322.02	7.92%	23,601.50	7.50%	19,667.45	7.05%
Distribution (including shunt capacitor and metering)	60,830.20	17.64%	47,673.42	15.15%	27,770.62	9.96%
Short-term loans	10,520.04	3.05%	12,582.27	4.00%	11,300.96	4.05%
Transitional finance	6,794.68	1.97%	7,972.84	2.53%	8,861.04	3.18%
Others <sup>(1)</sup>	11,343.90	3.29%	9,623.04	3.06%	7,999.29	2.87%
<b>Total</b>	<b>3,44,904.57</b>	<b>100.00%</b>	<b>3,14,666.93</b>	<b>100.00%</b>	<b>2,78,914.74</b>	<b>100.00%</b>

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

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

(₹ in crore, except percentages)

Scheme	For the Fiscal					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Thermal generation	21,852.46	33.93%	16,058.52	23.73%	11,268.62	16.57%
Hydel generation (>25MW)	1,376.71	2.14%	133.69	0.20%	5,846.34	8.60%
Re: wind power	4,443.33	6.90%	1,466.71	2.17%	1,583.44	2.33%
Re: solar power	4,259.48	6.61%	2,163.84	3.2%	4,419.09	6.50%
Re: Bagasse	0.00	0.00%	0.00	0.00%	0.00	0.00%

Scheme	For the Fiscal					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Re: Waste to energy (other than biomass)	290	0.45%	122.67	0.18%	39.11	0.06%
Corporate term loan	0.00	0.00%	745.29	1.10%	600.00	0.88%
R&M Thermal	588.18	0.91%	142.13	0.21%	421.97	0.62%
R&M Hydel	64.44	0.10%	10.17	0.02%	35.81	0.05%
Transmission (including R&M)	3,263.67	5.07%	4,221.96	6.24%	4,743.04	6.98%
Distribution (including shunt capacitor and metering)	4,997.66	7.76%	10,998.72	16.25%	9,773.92	14.37%
Short term loan	11,143.23	17.30%	12,400.70	18.32%	11,050.02	16.25%
Transitional finance	0.00	0.00%	0.00	0.00%	0.00	0.00%
Medium term loan	10,885.60	16.90%	16,576.80	24.49%	14,937.95	21.97%
Others	1,249.07	1.93%	2,636.39	3.89%	3,278.00	4.82%
<b>Total</b>	<b>64,413.83</b>	<b>100.00%</b>	<b>67,677.59</b>	<b>100.00%</b>	<b>67,997.31</b>	<b>100.00%</b>

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

The following table sets forth information relating to our top ten borrowers (primarily generation companies) in terms of loans outstanding as of March 31, 2020:

(₹ in crore, except percentages)

Borrower	Loan outstanding as of March 31, 2020	% of total outstanding
Borrower 1	25,044.63	7.26%
Borrower 2	24,819.34	7.20%
Borrower 3	19,758.58	5.73%
Borrower 4	15,596.63	4.52%
Borrower 5	11,572.18	3.36%
Borrower 6	10,212.30	2.96%
Borrower 7	9,699.92	2.81%
Borrower 8	9,644.30	2.80%
Borrower 9	8,537.20	2.48%
Borrower 10	7,948.17	2.30%
<b>Total</b>	<b>1,42,833.25</b>	<b>41.42%</b>

#### **Thermal generation projects**

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

#### **Hydro generation projects**

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

#### **Renewable energy projects**

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

#### **Renovation, modernization and life-extension scheme**

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

#### **Transmission projects and schemes**

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

#### **Distribution, capacitor and metering schemes**

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

### **SECTOR-WISE LOAN PORTFOLIO**

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

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

(₹ in crore, except percentages)

Particulars	As of March 31					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	2,28,114.15	81.79%	2,61,054.99	82.96%	2,87,513.78	83.36%
Private sector	50,800.60	18.21%	53,611.94	17.04%	57,390.79	16.64%
<b>Total</b>	<b>2,78,914.75</b>	<b>100.00%</b>	<b>3,14,666.93</b>	<b>100.00%</b>	<b>3,44,904.57</b>	<b>100.00%</b>

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

(₹ in crore)

Particulars	For the Fiscal					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	50,079.17	77.75%	63,161.42	93.33	59,180.28	87.03%
Private sector	14,334.66	22.25%	4,516.17	6.67	8,817.03	12.97%
<b>Total</b>	<b>64,413.83</b>	<b>100.00</b>	<b>67,677.59</b>	<b>100.00</b>	<b>67,997.31</b>	<b>100.00%</b>

Note :

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

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

### **CONSULTANCY SERVICES**

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

## SOURCES OF FUNDS

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

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

(₹ in crore, except percentages)

Particulars	As of March 31					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Rupee	2,11,277.92	92.04%	2,59,600.93	90.01%	2,55,751.00	84.28%
Foreign currency <sup>(1)</sup>	18,260.08	7.96%	28,826.86	9.99%	47,700.79	15.72%
<b>Total</b>	<b>2,29,538.00</b>	<b>100.00%</b>	<b>2,88,427.79</b>	<b>100.00%</b>	<b>3,03,452.79</b>	<b>100.00%</b>

Note:

(1) The Rupee equivalent of foreign currency borrowings is based on the relevant bank's telegraphic transfer selling rate for Fiscals 2018, 2019 and 2020.

## Rupee resources

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

A significant percentage of our rupee-denominated borrowings are raised through the issuance of privately placed bonds in India. As of March 31, 2020, we had outstanding borrowings aggregating ₹ 1,96,614.02 crore and ₹ 57,098.98 crore in the form of bonds (including Rupee-denominated infrastructure bonds) and Rupee denominated term loans, respectively.

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

(₹ in crore, except percentages)

Particulars	As of March 31					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Taxable bonds	1,81,553.42	85.93%	1,78,049.17	68.59%	1,84,338.91	72.08%
Tax free bonds	12,275.11	5.81%	12,275.11	4.72%	12,275.11	4.80%
Term loans from Indian banks, foreign banks and financial institutions	10,525.00	4.98%	46,203.55	17.80%	57,098.98	22.33%
Short term loans	6,924.74	3.28%	23,073.00	8.89%	2,038.36	0.79%
<b>Total</b>	<b>2,11,278.27</b>	<b>100.00</b>	<b>2,59,600.93</b>	<b>100.00%</b>	<b>2,55,751.36</b>	<b>100.00%</b>



## Foreign currency resources

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

(₹ in crore, except percentages)

Particulars	As of March 31					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
FCL Bonds	2,607.00	14.28%	8,298.60	28.79%	27,892.78	58.48%
FCL Syndicated Loans	12,462.05	68.25%	15,852.09	54.99%	19,635.63	41.16%
Other FCL Loans	3,191.03	17.47%	4,676.17	16.22%	172.38	0.36%
<b>Total</b>	<b>18,260.08</b>	<b>100.00%</b>	<b>28,826.86</b>	<b>100.00%</b>	<b>47,700.79</b>	<b>100.00%</b>

As an IFC, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs of up to U.S.\$ 750 million in each fiscal year.

## OUR SUBSIDIARIES

### ACQUISITION OF REC

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

### PFCCL

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

PFCCL is also involved in the following government initiatives:

### Discovery of efficient electricity price (“DEEP”)

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

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

1. Procurement of power by utilities on short-term basis with effect from April 12, 2016,
2. Procurement of power by utilities on medium-term basis with effect from August 17, 2016,

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

### **Payment ratification and analysis in power procurement for bringing transparency in invoicing of generators (“PRAAPTI”)**

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

For details of our Subsidiaries and Joint Ventures, please see the section titled “*History and Certain Corporate Matters*” beginning on page 129 of the Shelf Prospectus.

### **RISK MANAGEMENT**

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

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

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

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

#### **Credit Risk**

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance. We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring, of credit risk mitigation measures. We use a wide range of quantitative as well as qualitative parameters as part of our appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We evaluate the credit quality of borrowers by assigning risk weightings on the basis of various financial and non-financial parameters. Our lending policies evaluate borrowers’ eligibility criteria with an emphasis on financial and operational strength, capability and competence. For further information, see “– *Project and Entity Appraisal Process*” on page 103 of the Shelf Prospectus.

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

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

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

#### ***Monitoring of Loans***

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

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

### **Recovery Mechanism**

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

In instances where there has been a default by a borrower, we invoke the security and quasi-security arrangements that have been created in relation to the concerned loan, as detailed in “– Risk Management — Security Risk” below. We also encourage payments due from State sector and Central Public sector borrowers by offering them a rebate for timely payment. In Fiscal 2020, the total rebate offered by us to our borrowers was ₹ 401.91 crore.

### **Non-Performing Assets**

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

*(₹ in crore, except percentages)*

Particulars	As of March 31,					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	5,015.90	18.78%	0.00	0.00%	0.00	0%
Private sector	21,686.77	81.22%	29,540.31	100.00%	27,871.70	100.00%
<b>Total</b>	<b>26,702.67</b>	<b>100.00%</b>	<b>29,540.31</b>	<b>100.00%</b>	<b>27,871.70</b>	<b>100.00%</b>

We had adopted Indian GAAP accounting principles until March 31, 2018, which classified assets based on the RBI income recognition and asset classification norms. However, the adoption of IND-AS by our Company with effect from April 1, 2018 introduced a new model of provisioning based on the ECL model as compared with the RBI prudential norms of assets classification. We had gross NPAs/Stage III loan assets of ₹ 26,866.80 crore, ₹ 29,540.31 crore and ₹ 27,871.70 crore as of March 31, 2018, 2019 and 2020, respectively, which represented 9.63%, 9.39% and 8.39% of our total loan assets as of such dates.

### **Security Risk**

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

Majority of our loans to government sector borrowers are supported by an escrow arrangement. The escrow agreement is typically a tripartite agreement entered into by our Company, the borrower and the bank designated as escrow agent. Under the terms of the escrow agreement, the borrower is required to deposit all of its receivables (from certain centers) into the designated escrow account and the borrower is specifically prohibited from opening any other account for the purpose of

collection of revenues without our written consent. In the event of a default in payment by the borrower, the escrow agent, is upon demand by our Company, authorized to pay the amount owed to us from the monies deposited in the escrow account. In addition, the escrow agent is required to submit monthly bank statements of the escrow account to our Company. As of March 31, 2020, 87.89% of our outstanding loans to government sector power utilities involve such an escrow mechanism.

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

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

### **Interest Rate Risk**

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

Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors’ rates, movement of benchmarks such as AAA bond/GoI securities yields and RBI policy changes. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

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

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

For additional information on our interest rate risk, see “*Risk Factors — Volatility in interest rates affects our Company’s lending operations and may result in a decline in our Company’s net interest income and net interest margin and adversely affect our Company’s return on assets and profitability*” on page 26 of the Shelf Prospectus.

### **Liquidity Risk**

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

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

various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates.

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

The asset liability management maturity pattern of items of assets and liabilities as on March 31, 2020, is set out below:

(₹ in crore)

Bucket As at 31.03.2020	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	0.00	1,529.70	8,046.86	0.00	5.40
Over 1 Month upto 2 Month	1519.90	492.70	5,988.50	0.00	0.00
Over 2 Months upto 3 Month	0.00	416.63	10,845.00	0.00	6.09
Over 3 Month & upto 6 Month	0.00	3,511.49	17,351.67	0.00	1,130.79
Over 6 Month & upto 1 Year	0.00	18,837.19	5,305.25	0.00	2,156.10
Over 1 Year & upto 3 Years	0.00	59,187.06	57,474.09	0.00	11,493.88
Over 3 Years & upto 5 Years	0.00	56,046.51	60,813.03	0.00	10,231.67
Over 5 Years	14,953.42	1,90,314.82	90,071.03	0.00	22,676.86
<b>Total</b>	<b>16,473.32</b>	<b>3,30,336.10</b>	<b>2,55,895.42</b>	<b>(0.00)</b>	<b>47,700.79</b>

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

### Foreign Currency Exchange Risk

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

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

and open and hedged positions are submitted to the Risk Management Committee, and such details are submitted every quarter to the Audit Committee and the Board.

As on March 31, 2020, the details of outstanding foreign currency liabilities are USD 5,711 million, JPY 65,448 million and € 11 million; out of which USD 2,050 million and JPY 14,567 million are hedged. Further, 66% of the foreign currency portfolio with residual maturity up to five years has been hedged.

As of March 31, 2020, our foreign currency liabilities that are not hedged by a derivative instrument or otherwise were U.S.\$ 3,661 million, € 11 million and JPY 50,881 million. These amounts do not include partial hedges where only one currency leg has been hedged. For additional information on our foreign currency risk, see “*Risk Factors — Volatility in foreign exchange and un-hedged foreign currency could adversely affect our Company’s financial conditions and results of operations*” on page 28 of the Shelf Prospectus.

### **Operational Risk**

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

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

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

### **Legal Risk**

Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delays in the enforcement process or difficulty in the applicability of contractual obligations. We seek to minimize legal risk through legal documentation that is drafted to protect our interests to the greatest extent possible.

## **PROJECT AND ENTITY APPRAISAL PROCESS**

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

### ***Project Appraisal***

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

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

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

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

- project purpose, scope and location;

- need and justification supported by relevant studies;
- review of technology;
- forward and backward linkages (including fuel supply and transportation, water availability, power evacuation and sale of power) and their status;
- review of the contractual arrangements for the implementation of the project such as the EPC contract, power purchase agreement, fuel supply agreements, fuel transportation agreement and bulk power transmission agreement;
- present status of the project in terms of both physical and financial preparedness;
- regulatory compliance, statutory and non-statutory clearances;
- power evacuation arrangements;
- arrangement for O&M of the plant;
- implementation plan;
- review of cost, financing plan and phasing of expenditure;
- anticipated tangible and intangible benefits;
- identification of various risks and their mitigation; and
- financial modeling and projections, determination of project viability and sensitivity analysis.

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

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

### ***Entity Appraisal***

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

### ***Public sector appraisal***

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

such state governments continue as guarantors. SPUs that are incorporated to develop new projects are categorized based on the strength of their respective promoters. The categorization methodology enables us to identify the relative strength and weakness of each entity. These categories are used to determine credit exposure limits, security requirements and the pricing of loans given to SPUs.

### ***Private sector appraisal***

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

## **INSTITUTIONAL DEVELOPMENT ROLE AND GOI PROGRAMS**

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

We were established as an integral part of, and continue to play a strategic role in, the GoI’s initiatives for the development of the power sector in India. We work closely with GoI instrumentalities, state governments and power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, we are involved in various GoI programs for the power sector, including acting as a nodal agency for the UMPP and R-APDRP (subsumed under the IPDS).

### **Restructured Accelerated Power Development and Reform Program (“R-APDRP”)**

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

#### ***Components of R-APDRP***

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

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

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

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



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

### **Integrated Power Development Scheme (“IPDS”)**

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

#### ***Components of IPDS***

The components of IPDS are as follows:

- (i) strengthening of sub-transmission and distribution networks in the urban areas;
- (ii) metering of distribution transformers/feeders/consumers in the urban areas;
- (iii) IT enablement of the distribution sector and strengthening of the distribution network under R-APDRP for the 12<sup>th</sup>Five Year Plan and 13<sup>th</sup> Five Year Plan by carrying forward the approved outlay for R-APDRP to IPDS;
- (iv) schemes for Enterprise Resource Planning (ERP) and IT enablement of the remaining urban towns are also included under IPDS. The scope of IT enablement has been extended to all urban towns as per Census 2011;
- (v) smart metering solutions for performing UDAY States and Solar panels on government buildings with net-metering are also permissible under the scheme;
- (vi) Gas Insulated switchgear (GIS) sub-stations; and
- (vii) Real Time-Data Acquisition System (RT-DAS) projects for accurate measurement of power interruption parameters like SAIDI/SAIFI.

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

#### ***Outlay and Budgetary Support***

The components (i) and (ii) of IPDS above have an estimated outlay of ₹ 32,612.00 crore, including a budgetary support of ₹ 25,354.00 crore from GoI during the entire implementation period.

R-APDRP scheme as approved by CCEA for continuation in 12<sup>th</sup>Five Year Plan and 13<sup>th</sup>Five Year Plan will get subsumed in this scheme as a separate component relating to IT enablement of distribution sector and strengthening of distribution network (component (iii) above), for which the cost of ₹ 44,011.00 crore including a budgetary support of ₹ 22,727.00 crore as already approved by CCEA will be carried forward to the new scheme of IPDS in addition to the outlay for components at (i) and (ii) indicated above.

#### ***Sanctions and Disbursement under R-APDRP Operations***

The sanctions and disbursements under the R-APDRP scheme as of March 31, 2020, are as follows:

	<i>(₹ in crore)</i>		
<b>Particulars</b>	<b>Part – A #</b>	<b>Part - B</b>	<b>Total</b>
Cumulative Sanction Cost	5,929.68	28,784.26	34,713.94
Cumulative GoI Loan Disbursements	4,764.77	8,129.20	12,894.05

# Part A IT + Part A SCADA

#### ***Sanctions and Disbursement under the Integrated Power Development Scheme (IPDS)***

The sanctions and disbursements under the IPDS scheme (which has subsumed the R-APDRP scheme) as of March 31, 2020, are as follows:

*(₹ in crore)*

Particulars	Totals
Cumulative Sanction Cost	32,058.74
Cumulative GoI Grant Disbursements	12,451.14

### Ujwal Discom Assurance Yojna (“UDAY”)

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

- (i) reduce the AT&C losses to 15% by the year 2019;
- (ii) reduce the gap between the average cost of supply and average revenue to zero by the year 2019;
- (iii) reduce the cost of power generation through various administrative measures such as the increase of supply of coal, coal linkage rationalization and swaps and supply of improved quality of coal;
- (iv) take over 75% of the debt of state Discoms, as of September 30, 2015, over a period of two years (namely 50% in Fiscal 2016 and 25% in Fiscal 2017), through the issue of non-statutory liquidity ratio and state development loan bonds;
- (v) convert 50% of the balance of the debt remaining with state Discoms at the end of 2016 into bonds that are to be offered by banks and other financial institutions for an interest rate of not more than 0.1% in addition to the bank’s base rate;
- (vi) offer, for subscription, to the market, the bonds to be issued against the loans of financial institutions (including REC and the Company), with any unsubscribed portion to be taken over by banks in proportion to their lending to state Discoms;
- (vii) avoid any levy of pre-payment charge on the debt of state Discoms; and
- (viii) allow for waiver of any unpaid overdue interest and penal charges on the debt of state Discoms, and refund and adjust any such overdue and penal interest paid since October 1, 2013.

As of March 31, 2020, a total of 32 Indian states and union territories have signed the memorandum of understanding under the UDAY scheme.

### Ultra Mega Power Projects (“UMPP”)

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

The CEA is the technical partner for the development of these UMPPs, while the MoP is involved as a facilitator. As of March 31, 2020, 17 UMPPs have been identified, located in Madhya Pradesh (one), Gujarat (two), Karnataka (one), Maharashtra (one), Andhra Pradesh (two), Jharkhand (two), Tamil Nadu (two), Odisha (three), Uttar Pradesh (one), Bihar (one) and Chhattisgarh (one). As of the date of this Shelf Prospectus, we have incorporated a total of 14 wholly owned SPVs for these UMPPs. In relation to such SPVs, we in conjunction with the MoP and the CEA, will undertake preliminary site investigations and obtain fuel linkages and appropriate regulatory and other approvals (including for land, water and for power selling) and environment and forest clearances necessary to conduct the bidding process for these projects. Four of these SPVs have been transferred to successful bidders (as detailed in the table below). The remaining SPVs are proposed to be transferred in due course to successful bidder(s) selected through a tariff-based international competitive bidding process in accordance with the guidelines notified by the GoI under section 63 of the Electricity Act, 2003.

As of March 31, 2020, the following SPVs have been transferred to successful bidders:

Name of SPV	UMPP	Transferee	Date of transfer
Coastal Gujarat Power Limited	Mundra, Gujarat	Tata Power Company Limited	April 22, 2007

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

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

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

As of December 31, 2020, the subsidiaries promoted as SPVs for UMPPs are as follows:

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

Note:

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

As of March 31, 2020, the GoI has decided to close down the Chhattisgarh Surguja Power Limited UMPP and the Tatiya Andhra Mega Power Limited UMPP. The action has been initiated to strike off the name of these SPVs from the records of the relevant Registrar of Companies. Furthermore, the respective bidding processes for the selection of a developer for each

of the Odisha and Cheyyur UMPPs would be initiated after the revision of the standard bidding documents by the GoI, and we are in the process of conducting site studies and obtaining the applicable regulatory and other clearances with respect to the remaining UMPPs.

### **Liquidity Scheme for DISCOMs under Aatamnirbhar Bharat initiative of Government of India (“DISCOM Liquidity Package”)**

The Finance Minister on May 13, 2020 rolled out a ₹ 20 Lakh crore stimulus package aimed at spurring growth and building a self-reliant India and combating the effects of the COVID 19 related pandemic. In order to address liquidity issues in the power sector value chain, the Government of India mandated our Company and our subsidiary, REC, to disburse ₹ 90,000 crore to DISCOMs to cover the outstanding dues of the DISCOMs up to March 31, 2020. Further, vide notification dated September 2, 2020, the amount has been extended to cover outstanding dues of the DISCOMs up to June 30, 2020.

Salient features of the DISCOM Liquidity Package are as follows:-

1. ₹ 90,000 crore will be lent to DISCOMs in two tranches i.e. 50% in Tranche I and balance in Tranche II by our Company and REC. Accordingly, around ₹ 22,500 crore of disbursements would be released immediately by our Company to DISCOMs under Tranche I. Further, loans to DISCOMs are subject to implementation of reforms in future so as to comply on reform conditions like liquidation of dues and subsidies by State Governments, installation of smart meters, improving operational and financial efficiency etc.
2. Lending would be through long term transitional loan with a maximum tenor of 10 years. Principal moratorium can be considered on case to case basis. However, in no case moratorium would exceed more than 3 years.
3. The loan amount would be restricted to the outstanding dues of CPSUs generating companies, transmission companies, IPPs and RE generators and after considering receivables against electricity bill dues and undisbursed subsidy of DISCOMs from state government departments, companies, bodies, ULIBs, PRIs etc.
4. Payment shall be released directly to CPSU generating companies /RE generating companies /IPPs/ CPSU transmission companies based on authorisation of DISCOMs in this regard.
5. In line with normal business lending operations, interest rate will be charged at our cost of funds plus margins.
6. The loan will be secured with unconditional and irrevocable State Government guarantee covering the loan amount along with interest and any other charges towards the loan.

### **BUSINESS DIVERSIFICATION INITIATIVES**

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

#### ***Renewable Energy and CDM Initiatives***

We believe that the renewable energy space in India provides significant untapped potential. Furthermore, the GoI has scaled up the target of renewable energy capacity to be achieved by 2022 to 175,000 MW, which includes a target of 100,000 MW to be achieved from solar power, 60,000 MW from wind power, 10,000 MW from bio-power and 5,000 MW from small hydro.

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

We continue to provide financing for public and private sector renewable energy generation projects. As of March 31, 2020, the total amount of loans that we extended to renewable energy projects which remains outstanding was ₹ 36,526.61 crore. We have also jointly promoted EESL with other government companies focused on the Indian power sector to develop energy efficient products and services and provide consultancy services related to CDM, carbon markets and energy efficiency initiatives. As of December 31, 2020, we held a 36.64% equity interest in EESL.

### ***Forward and Backward Linkages***

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

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

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

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

### ***Debt Syndication***

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

## **REGULATIONS AND POLICIES**

We are a Non-Banking Finance Company, that is Non Deposit taking and Systemically Important (“**NBFC-ND-SI**”), and are notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to Section 4A of the erstwhile Companies Act, 1956). We have also been classified as an IFC by the RBI *vide* certificate dated July 28, 2010. NBFCs are primarily governed by the RBI Act, Non-Banking Financial Company Systemically Important NBFC Directions, and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016, as amended from time to time. Additionally, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI and SEBI (being a listed company) from time to time. For further details, please see the section titled “*Regulations and Policies*” beginning on page 113 of the Shelf Prospectus.

## **CORPORATE GOVERNANCE**

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

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

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

For further details with regard to our Board, please refer to the section titled “*Our Management*” on page 139 of the Shelf Prospectus.

## **COMPETITION**

As a leading financial institution in India focused on the power sector, we believe that our experience in implementing GoI policies and programs, industry knowledge, relationships with clients and large client base enables us to be a preferred financing provider for the power sector in India. Our primary competitors include infrastructure finance companies; public sector banks and private banks (including foreign banks); multilateral development institutions; insurance companies that either lend to the power sector directly or work in conjunction with other financial services firms to lend to the infrastructure sector; as well as private equity firms that focus on private equity, buyouts and mezzanine financing for the power sector. For further information, see “*Industry Overview*” and “*Risk Factors – With power sector financing industry becoming increasingly competitive, our growth will depend on our ability to maintain a low effective cost of funds; inability to do so could have a material adverse effect on our business, financial condition and results of operations*” on pages 66 and 17 respectively of the Shelf Prospectus.

## **EMPLOYEES**

We have an experienced, qualified and committed management and employee base. As of December 31, 2020, we had 484 employees. In addition, we employ contract laborers from time to time. We believe that we have an efficient and lean organizational structure relative to the size of operations and profitability. We have a registered trade union under the Trade Unions Act, 1926. The per employee profit for Fiscal 2020 was ₹ 12.00 crore which indicates a high level of employee productivity.

## **TRAINING AND DEVELOPMENT**

We attach great importance to providing continuous training to our officials to keep them updated on the latest developments in the industry and expand their knowledge and skill sets. During Fiscal 2020, in order to ensure specific skill development, the focus of conducting in-house programs was maintained in line with the corporate goals. Customized virtual training programs on Project Management & Professional Development, Foreign Exchange & Derivatives, Advanced MS Excel and MS Power Point Skills and General Management were organised till 30<sup>th</sup> September, 2020. The Corporation is also in the process of conducting customised virtual training programs on KYC & Anti Money Laundering, building a team of Internal Quality Auditors, Leadership and Team building along with need-based programs. As on 30<sup>th</sup> September, 2020, a total of 742 man-days were achieved by conducting various in-house programs and by sponsoring employees to other need based programs conducted by external training agencies.

## **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT**

CSR is a cornerstone of our operations and we discharge our social responsibility obligations as a part of our growth philosophy. The Company aims to act as a responsible corporate citizen and is committed to improving the welfare of the society through inclusive growth aimed at the empowerment of communities through (i) environment protection through promotion of renewable energy, sanitation and provision for safe drinking water, (ii) skill development programmes and (iii) activities related to the healthcare sector. Our Company has a CSR & Sustainability Policy. The aim of our CSR & Sustainability Policy is to ensure that our Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. To oversee the activities of CSR, our Company has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

In conformity with the provisions of the Companies Act, 2013 and the rules framed thereunder, for Fiscal 2020, our Board had approved a CSR budget of ₹ 150.28 crore based on 2% of the average stand-alone profit before tax excluding dividend received from other companies covered under and complying with Section 135 of the Companies Act, 2013, for last three financial years in line with Rule 2(f)(ii) of Companies (Corporate Social Responsibility Policy) Rules, 2014. During the financial year 2020-21, our Company implemented a wide range of activities in various states for COVID19 pandemic, solar energy, rural development, sanitation, health and education, skill development, etc.

Due to the gestation period involved in the sanctioned projects, our Company has disbursed ₹ 232.03 crore out of the available sanctions, and the remaining budget will be utilized / disbursed based on the progress achieved for completion of the projects. Further, as per the guidelines of Department of Public Enterprises, GoI, the CSR Budget is non-lapsable, and is carried forward to the next year. Therefore, we believe that the entire budget will be utilized for CSR activities.

## **CERTIFICATIONS**

We were awarded the ISO 9001:2015 certification with effect from January 9, 2019, valid until January 8, 2022, with respect to its operations.

## **INSURANCE**

We maintain insurance for our physical assets, such as office and residential properties. However, the amount of the insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all potential losses that we may suffer should a risk materialize. For risks associated with inadequate insurances, see “*Risk Factors — Our insurance may not be adequate to protect against all potential losses to which we may be subject*” on page 30 of the Shelf Prospectus. In addition, we maintain customary insurance for employees in case of accident or death as well as directors’ and officers’ liability insurance.

## **INFORMATION TECHNOLOGY**

We have implemented the following IT initiatives:

- all major business processes such as project appraisal, financial and loan accounting management, resource mobilization and treasury management, payroll and human resources have been computerized onto a centralized data base by using on-line transactional applications such as “Oracle ERP”, resource mobilization and treasury management modules, and an integrated power financing system;
- a web-based self-help employee portal has been implemented with an on-line claim processing system to facilitate partially paperless filing of various claims and to enable claim status to be viewed easily;
- a 24x7 operational data center is housed with ERP, databases, applications, networks, email system and anti-virus servers, with backup power and a temperature-controlled environment with data backup systems;
- a comprehensive network security system to secure data has been implemented with a firewall and an intrusion detection and prevention system, together with anti-virus and content filtering systems;
- local area networks have been installed, and access to IT facilities such as desktop computers are available to the employees; our Company’s reporting requirements have been met by using financial ERP systems, payroll, an integrated power financing system and resource mobilization and treasury management modules; and
- “oracle apps” for financial ERP systems have been implemented for all financial transactions and reporting covering general ledger, accounts payable and receivables, financial accounting, best-of breed software modules for resource mobilization and treasury management modules. These applications have been in operation since Fiscal 2011.

For information in relation to risks faced in relation to our IT systems, see “*Risk Factors — Security of our Company’s IT systems may fail and adversely affect our Company’s business, operations, financial condition and reputation*”.

## **PROPERTIES**

The details in relation to the properties of the Company are as follows:

**Registered and Corporate Office:** Our registered and corporate office is located at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi. Our Company entered into a memorandum of agreement dated February 5, 2002, with the President of India in relation to our registered office premises, pursuant to which we were required to execute a perpetual lease upon completion of construction of the building where our Registered Office is situated. The perpetual lease deed was executed on March 23, 2011.

**Regional offices:** We also have two regional offices in Mumbai and Chennai, which are taken on lease-hold and freehold basis respectively. In addition to the offices, we also own certain residential properties in New Delhi.

## **LEGAL AND REGULATORY PROCEEDINGS**

We are involved in certain legal and tax-related proceedings. These proceedings are pending at different levels of adjudication before various government authorities, courts, tribunals and appellate authorities. However, excluding the legal proceedings discussed elsewhere in this Shelf Prospectus, we are not a party to any proceedings, and no proceedings are known by us to be contemplated by governmental authorities or third parties which, if adversely determined, would have a material adverse effect on our financial condition or results of operations. For further details in relation to the litigation involving our Company, please see the section titled “*Outstanding Litigation*” on page 232 of the Shelf Prospectus.

## REGULATIONS AND POLICIES

*The following is a summary of certain laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

### REGULATIONS GOVERNING NBFCs

*The Company is a Non-Banking Finance Company, that is Non Deposit taking and Systemically Important (“NBFC-ND-SI”) and is notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to the erstwhile Section 4A of the Companies Act, 1956 and also classified as an Infrastructure Finance Company (“IFC”) by the RBI vide certificate dated July 28,2010. The Company is a leading public financial institution in the Indian power infrastructure sector and is engaged in the financing and promotion of transmission, distribution and generation projects throughout India. The business activities of NBFCs and public financial institutions are regulated by various RBI regulations, but as a Government company, the Company has the benefit of certain exemptions as further described below.*

NBFCs are primarily governed by the Reserve Bank of India Act, 1934, as amended (“RBI Act”), Non-Banking Financial Company Systemically Important NBFC Directions and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended. Additionally, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

#### *The RBI Act*

The RBI Act defines an NBFC under Section 45-I (f) as:

- (a) a financial institution which is a company;
- (b) a non-banking institution which is a company, and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; and
- (c) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A “financial institution” and a “non-banking institution” have been defined under Sections 45-I(c) and 45-I (e) of the RBI Act, respectively. Section 45-I (c) of the RBI Act defines a “financial institution” as a non-banking institution carrying on as its business or part of its business, among other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Also, section 45-I (e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society.

The RBI has clarified that, while identifying a company as an NBFC, it will consider both the assets and the income pattern from the last audited balance sheet to decide its principal business. A company will be treated as a NBFC if: (a) its financial assets are more than 50% of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for the principal business of a company.

NBFCs which are Government companies in which not less than 51 per cent. of the paid up capital is held by the Central Government or by any State Government or partly by the Central Government and partly by one or more State Governments or which is a subsidiary of a Government company (“Government NBFCs”), have been exempted from complying with the various parts of the RBI Act relating to maintenance of liquid assets, creation of reserve funds and the directions relating to acceptance of public deposits and certain prudential norms.

Government owned companies, as defined under Section 2(45) of the Companies Act, 2013 and registered with RBI as NBFCs, were exempt from the following regulatory and statutory provisions:

- (i) Sections 45-IB and 45-IC of the RBI Act,1934;
- (ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (except provisions



contained in paragraph 23 of these directions);and

- (iii) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 (except certain provisions contained in these directions).

The RBI Act states that an NBFC shall commence or carry on the business of a non-banking financial institution after obtaining a certificate of registration (“CoR”) and having a minimum net owned fund of ₹ 25 Lakh and not exceeding ₹ 2 Crore. NBFCs that do not accept deposits from the public also need to obtain a CoR, however the same will not authorize them to accept public deposits. All NBFCs are required to submit a certificate from their statutory auditors every year stating that they continue to undertake the business of a non-banking financial institution.

### ***Government companies***

Historically, the RBI had exempted a Government company as defined under Section 2 (45) of the Companies Act, 2013 from the applicability of several sections of the RBI Act as well as, inter alia, the NBFC-ND-SI Directions. However, pursuant to a notification dated 31 May 2018, Government companies which were previously exempt from the NBFC-SI Directions and certain income recognition, asset classification, provision requirements, capital adequacy requirements, leverage ratios and concentration of credit and investments, corporate governance and deposit regulations will now have to comply in the same way as non-Government companies within the prescribed timelines (“**Withdrawal Notification**”).

Under the Withdrawal Notification,

- (i) income recognition as set out under the NBFC-ND-SI Directions has to be complied with by Government companies by 31 March 2019. Income recognition is required to be based on recognised accounting principles and guidance notes in India. Income including interest or discount or hire charges or lease rentals or any other charges on non-performing assets are recognised only when it is actually realised, and any income recognised before an asset became non-performing and remaining unrealised is reversed. Income from dividend on shares of corporate bodies and units of mutual funds is taken into account on cash basis. Income from bonds and debentures of corporate bodies and from Government securities or bonds is taken into account on accrual basis. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by the central Government or a state Government is taken into account on accrual basis;
- (ii) asset classification has to be done within 120 days from 31 March 2019 and 90 days from 31 March 2020. Loans and other credit facilities and lease assets are classified into the following broad asset types: (a) Standard Assets: Standard asset refers to an asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business; and (b) Non-performing Assets: An asset is considered as a non-performing asset and sub-categorised as sub-standard, doubtful and loss asset;
- (iii) 100% of prescribed provisioning requirement needs to be met by 31 March 2019. This is 0.40 per cent of the outstanding amount of the loans disbursed by the NBFC, which amount is not reckoned for arriving at net non-performing assets;
- (iv) Government owned NBFCs are required to have a CRAR of 10 per cent. by 31 March 2019, which increases to a CRAR of 15 per cent. by 31 March 2022;
- (v) leverage ratio will be applicable by 31 March 2022 with a roadmap for compliance to be prepared by Government owned non-deposit taking NBFCs;
- (vi) credit and investment concentration norms be complied with by 31 March 2022. A NBFC IFC is permitted to: (a) lend to: (i) any single borrower exceeding 25 per cent. of its owned fund; and (ii) any single group of borrowers exceeding 40 per cent. of its owned fund; (b) invest in: (i) the shares of another company exceeding 15 per cent. of its owned fund; and (ii) the shares of a single group of companies exceeding 25 per cent. of its owned fund; or (c) lend and invest (loans/investments taken together) exceeding: (i) 30 per cent. of its owned fund to a single party; and (ii) 50 per cent. of its owned fund to a single group of parties;
- (vii) corporate governance, conduct of business regulations, and the fair practices code have to be complied with by 31 March 2019;
- (viii) the requirement under Section 45 IB of the RBI Act, 1934, in respect of maintaining a percentage of investments in

unencumbered approved securities (central or state Government bonds, as well as bonds of whose principal and interest have been guaranteed by the Government) whose value does not exceed 15 per cent. of the deposits outstanding at the close of business on the last working day of the second preceding quarter is now applicable to Government NBFCs. This requirement is applicable in a phased manner, i.e. 5 per cent. of outstanding deposits by 31 March 2019, which increases to 15 per cent. by 31 March 2022; and

- (ix) the requirement under Section 45 IC of the RBI Act, 1934, of creating a reserve fund and transferring a sum not less than 20 per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared, to such reserve fund, is now applicable to Government NBFCs from 31 March 2019.

The phased withdrawal of the exemptions applicable on Section 45 IB and Section 45 IC of the RBI Act are also listed in Master Direction - Exemptions from the provisions of RBI Act, 1934, Master Direction DNBR.PD. 001/03.10.119/2016-1.

Additionally, the Withdrawal Notification permits government companies set up to serve specific sectors to approach the RBI for exemptions.

As per roadmap issued by Ministry of Corporate Affairs regarding applicability of Ind AS, Company is required to apply Ind AS from the financial year 2018-19 (with transition date of 01.04.2017). Accordingly, the RBI prudential norms with respect to income recognition, asset classification and provisioning are not applicable to the Company. Hence, the Company has aligned the said norms as per the requirements of Ind AS.

### ***Systemically Important NBFC Directions***

RBI has issued Master Directions- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. These directions inter-alia prescribe guidelines on prudential issues (like capital requirement, prudential regulation, fair practice code, asset liability management framework), Governance issues (like corporate governance)) and miscellaneous issues (like reporting requirement).

The Company is following these regulations except the credit concentration norms for our exposure to Government borrowers. RBI has exempted PFC from applying RBI credit concentration norms for exposure towards Central/ State sector entities till March 31, 2022. Further, in case of private sector, the following credit concentrations limits as prescribed by RBI are being followed by our Company:

(as % of owned fund)

#### **Lending ceilings**

Lending to any single borrower .....	15%
Lending to any single group of borrowers .....	25%

#### **Investing ceilings**

Investing in shares of company.....	15%
Investing in shares of a single group of companies.....	25%

#### **Loans and investment taken together**

Lending and investing to single party .....	25%
Lending and investing to single group of parties .....	40%

In addition to above:

- An NBFC may exceed the concentration of credit/ investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.
- Infrastructure Finance Companies may exceed the concentration of credit norms in:
  - lending to any single borrower, by 10% of its owned fund; and any single group of borrowers, by 15% of its owned fund;
  - in lending to and investing in, (loans/investments taken together) to a single party, by 5% of its owned fund; and to a single group of parties, by 10% of its owned fund.

NBFC-ND-SIs which meet the criteria prescribed in the Systemically Important NBFC Directions, may augment their capital funds by the issuance of perpetual debenture instruments in accordance with certain specified guidelines. Such perpetual

debenture instruments shall be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as of March 31 of the previous accounting year. NBFC-ND-SIs may augment their Tier II capital by the issuance of hybrid capital instruments and subordinated debt within certain specified guidelines. Perpetual debenture instruments issued in excess of 15% will be included in Tier II capital, subject to the proviso that Tier II capital does not exceed Tier I capital.

### ***Classification of Infrastructure Finance Companies***

All NBFC-NDs with an asset size of ₹ 500 Crore or more in accordance with the last audited balance sheet will be considered as an NBFC-ND-SI. An IFC NBFC-ND-SI in addition fulfils the following criteria:

- (a) a minimum of 75 per cent. of its total assets deployed in “infrastructure loans”;
- (b) net owned funds of ₹ 300 Crore or above;
- (c) minimum credit rating ‘A’ or equivalent of CRISIL, India Ratings and Research Private Limited, CARE, ICRA, Brickwork Rating India Private Limited (Brickwork) or equivalent rating by any other credit rating agency accredited by RBI; and
- (d) CRAR of 15 % (with a minimum Tier I capital of 10 %).

The Company is a Government IFC NBFC-ND-SI and consequently is subject to the lending and investment norms mentioned in “- *Regulations and Policies – Systematically Important NBFC Directions*” on page 115 of this Shelf Prospectus.

RBI has granted an exemption to the Company pursuant to a letter dated June 16, 2016 from concentration norms in respect of exposure to central / state entities in the power sector until March 31, 2022. In respect of private sector entities, the Company’s credit exposure to single borrowers and group borrowers did not exceed the RBI prudential exposure limits as at March 31, 2020, March 31, 2019 and March 31, 2018.

### ***Private Placement Guidelines***

The RBI’s Systemically Important NBFC Directions contain provisions with respect to NBFCs raising money through private placement of non-convertible debentures (“NCDs”), other than in respect of tax exempt bonds. NBFCs need a board-approved policy for resource planning which, *inter alia*, should cover the planning horizon and the periodicity of private placement. The Company shall be governed by the following instructions:

- (a) the minimum subscription per investor is ₹ 20,000;
- (b) the issuance of NCDs shall be in two separate categories per investor: (i) maximum subscription of less than ₹ one crore; and (ii) minimum subscription of ₹ one crore and above;
- (c) where maximum subscription is less than ₹ one crore, the limit is 200 subscribers for every financial year for issuance of NCDs;
- (d) where minimum subscription is ₹ one crore and above, there is no limit on the number of subscribers in respect of issuances and the Company has the option to create security in favor of subscribers or not. Any unsecured debentures are not treated as public deposits;
- (e) NCD shall only be issued for the Company’s use and only for its own balance sheet and not to raise money for group entities, the parent company or associates; and
- (f) an NBFC shall not extend loans against the security of its own debentures (issued by way of either private placement or public issue).

The Issuer, in respect of any private placements of debentures, needs to comply with the regulations of SEBI and Companies Act, as amended and as applicable from time to time. These include, but are not limited to, the following: (i) the electronic booking platform provided by a recognized stock exchange for any issuance by the Company by way of a private placement of securities. The bidding mechanism applies to: (a) a single issue, inclusive of green shoe option, if any, of ₹ 200 Crore or more; (b) a shelf issue, consisting of multiple tranches, which cumulatively amounts to ₹ 200 Crore or more, in a financial year; or (c) a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds ₹ 200 Crore. Participants are then required to submit their bids through this platform to purchase securities. The Company may be required to provide certain information and do certain acts in this respect; and (ii) circulars relating to the clubbing of international securities identification numbers for frequent issuers of debt issues with the same tenor during a quarter who then may club issuances under the same umbrella international securities identification numbers.

### ***Measures for Capital Augmentation by NBFCs***

NBFC-ND-SIs which meet the criteria prescribed in the Systemically Important NBFC Directions, may augment their capital funds by the issuance of perpetual debenture instruments in accordance with certain specified guidelines. Such perpetual debenture instruments shall be eligible for inclusion as Tier I capital to the extent of 15% of the total Tier I capital as of March 31 of the previous accounting year. NBFC-ND-SIs may augment their Tier II capital by the issuance of hybrid capital instruments and subordinated debt within certain specified guidelines. Perpetual debenture instruments issued in excess of 15% will be included in Tier II capital, subject to the proviso that Tier II capital does not exceed Tier I capital.

### ***Non-Performing Assets (“NPA”)***

The Company adopted Ind AS from April 1, 2018 and assets are being recognized as stage I, stage II and stage III:

- A financial instrument that is not credit impaired on initial recognition is classified in ‘*Stage I*’ and loan account is upto 30 days overdue on its contractual payments;
- If a significant increase in credit risk (“**SICR**”) is identified, the financial instrument is moved to ‘*Stage II*’ and loan account is more than 30 days but upto 90 days overdue on its contractual payments;
- If the financial instrument is credit-impaired, the financial instrument is moved to ‘*Stage III*’ category & loan account is more than 90 days overdue on its contractual payments. The assets of the Company convert into non-performing assets when the financial instrument is moved to Stage III.

### ***Norms for excessive interest rates***

Interest rates beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice. Boards of applicable NBFCs, therefore, are required to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

### ***Asset Liability Management***

The management of NBFCs is required to base its business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. It is, therefore, important that NBFCs introduce effective risk management systems that address the issues relating to interest rate and liquidity risks.

NBFCs are exposed to several major risks in the course of their business – credit risk, interest rate risk, equity / commodity price risk, liquidity risk and operational risk. It is, therefore, important that NBFCs introduce effective risk management systems that address the issues relating to interest rate and liquidity risks. The initial focus of the Asset Liability Management (“**ALM**”) function shall be to enforce the risk management discipline or manage the business after assessing the risks involved. The objective of good risk management systems shall be that these systems will evolve into a strategic tool for the management of NBFCs.

The ALM process rests on three pillars:

- (a) ALM Information Systems
  - (i) Management Information Systems
  - (ii) Information availability, accuracy, adequacy and expediency
- (b) ALM Organization
  - (i) Structure and responsibilities
  - (ii) Level of top management involvement
- (c) ALM Process
  - (i) Risk parameters
  - (ii) Risk identification

- (iii) Risk measurement
- (iv) Risk management
- (v) Risk policies and tolerance levels.

### ***Corporate Governance Guidelines***

The RBI has mandated certain corporate governance rules for all NBFC-NDs, which include the constitution of an audit committee, a nomination committee and a risk management committee. The guidelines have also issued instructions for the framing of internal guidelines on corporate governance with the approval of the board of directors of the NBFC and also for the rotation of the partners of the chartered accountancy firm conducting its audit every three years.

### ***Anti-Money Laundering***

The RBI has specified that a proper policy framework for the Prevention of Money Laundering Act, 2002, as amended (“PMLA”) is put into place in NBFCs. The PMLA seeks to prevent money laundering and extends to all banking companies and financial institutions, including NBFCs and intermediaries. In accordance with the provisions of the PMLA and the directions, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions.

### ***Directions on the Acquisition of NBFC***

Prior written permission from the RBI is required for:

- (a) the takeover or acquisition of an NBFC, deposit and non-deposit accepting, whether by acquisition of shares or otherwise;
- (b) any change in the shareholding of the applicable NBFCs, including progressive increases over time, which would result in acquisition/transfer of shareholding of 26% or more of the paid up equity capital of the applicable NBFC. Prior approval would, however, not be required in the case of any shareholding going beyond 26% due to buyback of shares/reduction in capital where it has approval of a competent Court. The same is however required to be reported to the RBI not later than one month from its occurrence; and
- (c) any change in the management of the applicable NBFC which results in the change in more than 30% of the directors, excluding independent directors. Prior approval would not be required for those directors who get re-elected on retirement by rotation.

Non-compliance of the directions could lead to adverse regulatory action including cancellation of the certificate of registration of NBFCs.

### ***Opening of Branch, Subsidiary or Representation Office of an NBFC outside India***

Prior approval of the RBI is required for the opening of a branch, subsidiary, joint venture or representative office or for undertaking any investment abroad by an NBFC.

### ***Department of Public Enterprises, Government of India***

We are a Navratna Central Public Sector Undertaking under the administrative control of the Ministry of Power, Government of India.

The Department for Public Enterprises is the nodal department for all the Central Public Sector Enterprises (“CPSEs”) and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. It furthermore collects and maintains information in the form of a Public Enterprises Survey on several areas in respect of CPSEs. The Department for Public Enterprises formulates policy guidelines pertaining to CPSEs in areas like performance improvements and evaluation, financial management, personnel management, board structures, wage settlement, training, industrial relation, vigilance and performance appraisal.

## **LAWS RELATING TO THE RECOVERY OF DEBTS**

### ***Securitisation Act***

The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, as amended (“**Securitisation Act**”) provides the powers of “seize and desist” to banks and grants certain special rights to banks and financial institutions to enforce their security interests. The Securitisation Act provides that a “secured creditor” may, in respect of loans classified as non-performing in accordance with RBI guidelines, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets.

Under the Securitisation Act, all mortgages and charges on immovable properties in favour of banks and financial institutions are enforceable without the intervention of the Courts. The Securitisation Act also provides for the establishment of asset reconstruction companies regulated by RBI to acquire assets from banks and financial institutions. A bank or financial institution may sell a standard asset only if the borrower has a consortium or multiple banking arrangements, at least 75% by value of the total loans to the borrower are classified as non-performing and at least 75% by value of the banks and financial institutions in the consortium or multiple banking arrangements agree to the sale. The banks or financial institution selling financial assets should ensure that there is no known liability devolving on them and that they do not assume any operational, legal or any other type of risks relating to the financial assets sold. Furthermore, banks or financial institutions may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks or financial institutions may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. While each bank or financial institution is required to make its own assessment of the value offered in the sale before accepting or rejecting an offer for purchase of financial assets by an asset reconstruction company, in consortium or multiple banking arrangements where more than 75% by value of the banks or financial institutions accept the offer, the remaining banks or financial institutions are obliged to accept the offer.

For financing of a financial asset by more than one secured creditor or joint financing of a financial asset by secured creditors, no secured creditor is entitled to exercise any rights unless such exercise is agreed by at least 60% of the secured creditors by value of outstanding and such action is binding on all the secured creditors.

Any securitisation company or asset reconstruction company may acquire financial assets of a bank or financial institution by issuing a debenture, bond or any other security in the nature of a debenture, for agreed consideration or by entering into an agreement with such bank or financial institution to purchase such financial assets on terms and conditions as agreed. In respect of a shortfall in proceeds realised from the sale of secured assets, a secured creditor may file an application to the Debt Recovery Tribunal to recover the balance amount from a borrower under the Debt Recovery Act (as defined below).

### ***Debt Recovery Act***

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 as amended from time to time (“**Debt Recovery Act**”) provides for the establishment of Debt Recovery Tribunals and a Debt Recovery Appellate Tribunals for expeditious adjudication and recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under the Debt Recovery Act, the procedures for the recovery of debt have been simplified and timeframes have been fixed to facilitate the disposal of cases. The Debt Recovery Act lays down the rules for establishment of Debt Recovery Tribunals, the procedure for making an application to the Debt Recovery Tribunals and their powers and modes of recovery of debts. Upon establishment of the Debt Recovery Tribunals and the Debt Recovery Appellate Tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by the Debt Recovery Act, except the Supreme Court exercising jurisdiction under Article 32 and the High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, in relation to matters specified in Section 17 of the Debt Recovery Act.

### ***Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the Amendment Act)***

The Amendment Act was passed by both houses of the Parliament on August 9, 2016 and received the assent of the President on August 12, 2016. The Amendment Act shall come into force as and when notified by the Central Government. The Amendment Act amends two laws: (i) the Securitisation Act and (ii) the Debt Recovery Act. Under the Securitisation Act, secured creditors can take possession over collateral, against which a loan had been provided, upon a default in repayment, which can be done with the assistance of the district magistrate. The Amendment Act provides that this process will have to be completed within 30 days by the district magistrate. In addition, the Amendment Act: (i) creates a central database to integrate records of property registered under various registration systems with this central registry and secured creditors will not be able to take possession over the collateral unless it is registered with the central registry; and (ii) provides that stamp

duty will not be charged on transactions for transfer of financial assets in favour of asset reconstruction companies. In relation to the Debt Recovery Act, the Amendment Act (i) allows banks to file cases in tribunals having jurisdiction in the location of the bank branch and where the debt is pending; and (ii) provides further details of procedures that the tribunals will follow in case of debt recovery proceedings.

### ***The Bankruptcy Code***

The Insolvency and Bankruptcy Code, 2016 (“**IBC**”) was passed by the Parliament on 11 May 2016, with a view to creating a unified framework for resolving insolvency and bankruptcy in India. The IBC aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, currently contained in a number of legislations, into a single legislation. Under the IBC, NBFCs, as financial creditors, can initiate a corporate insolvency resolution process against a corporate debtor who has defaulted in respect of debt equivalent to or more than ₹ one lakh, provided such NBFC furnishes record of the default filed with the information utility to the National Company Law Tribunal. Further, while it is not permissible to initiate insolvency proceedings under the IBC against NBFCs, recent National Company Law Tribunal judgements have utilised the generic powers of the National Company Law Tribunal under Section 242 of the Companies Act to indirectly apply the IBC to financial services providers such as NBFCs.

### ***Prudential Framework for Resolution of Stressed Assets issued by the Reserve Bank of India***

The RBI recently issued the Stressed Asset Framework on 7 June 2019. These directions have been issued with a view to providing a framework for early recognition, reporting and time-bound resolution of stressed assets. The directions are issued without prejudice to the issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, 1949, for the initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code, 2016. The Honorable Supreme Court of India, *vide* its order dated 2 April 2019, held the RBI circular dated 12 February 2018 on Resolution of Stressed Assets as *ultra vires*. In light of this decision, the RBI issued the Framework for expeditious and effective resolution of stressed assets.

The RBI has mandated that the provisions of the directions in the Stressed Asset Framework shall apply to the following entities: (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit Taking Non-Banking Financial Companies (“**NBFC-ND-SI**”) (including our Company) and Deposit-taking Non-Banking Financial Companies (“**NBFC-D**”).

The fundamental principles underlying the Framework for resolution of stressed assets are as follows:

- (i) early recognition and reporting of default in respect of large borrowers by banks, FIs and NBFCs;
- (ii) complete discretion to lenders with regards to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluations;
- (iii) a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings;
- (iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period;
- (v) for the purpose of restructuring, the definition of ‘financial difficulty’ to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and
- (vi) signing of inter-creditor agreement by all lenders to be mandatory, which will provide for a majority decision making criteria.

The RBI has further mandated that existing instructions on resolution of stressed assets, such as the Framework for revitalizing Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long-Term Project Loans, Strategic Debt Restructuring Scheme, Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets, are withdrawn with immediate effect. Accordingly, the Joint Lenders’ Forum, as a mandatory institutional mechanism for resolution of stressed accounts, is also discontinued.

## **LAWS RELATING TO THE POWER SECTOR**

In accordance with the Indian Constitution, the authority to regulate the electricity sector vests with both the State and the Central Governments.

The Ministry of Power (“**MoP**”) acts as the administrative ministry governing the Central power sector in the country. The MoP is responsible for the administration of the Electricity Act, 2003, as amended from time to time (“**Electricity Act**”), the Energy Conservation Act, 2001 as amended and to undertake such amendments to these Acts, as may be necessary from time to time, in conformity with the government’s policy objectives. The Central Electricity Authority (“**CEA**”) advises the MoP, *inter alia*, on electricity policies and technical matters.

### ***Electricity Act, 2003***

The Electricity Act is a Central legislation relating to generation, transmission, distribution, trading and use of electricity that seeks to replace the multiple legislations that govern the power sector. The Electricity Act aims to enable measures to be taken for the development of the electricity industry, promote competition, protect the interest of consumers and supply of electricity to all areas, rationalize the electricity tariff, ensure transparent policies regarding subsidies, promote efficient and environmentally benign policies, constitute the Central Electricity Agency and establish the Appellate Tribunal. The most significant reform initiative under the Electricity Act was the move towards a multi-buyer, multi-seller system as opposed to the existing structure which permitted only a single distributor to purchase power from power generators. In addition, the Electricity Act grants the electricity regulatory commissions freedom in determining tariffs. Under the Electricity Act, no license is required for establishing, expanding, operating or maintaining a generating station, if it complies with the technical standards relating to connectivity with the grid, provided that the generating station has submitted a detailed project report. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer and further amended in 2010 to provide that any developer of a special economic zone (“**SEZ**”) notified shall be deemed to be a licensee under the Electricity Act.

### ***Licensing Requirements***

Under the Electricity Act, transmission and distribution of, and trading in, electricity require licences from the appropriate Central or State electricity regulatory commissions (respectively, **CERCs** and **SERCs**, and collectively, **ERCs**), unless exempted. CERC has jurisdiction over generating companies owned or controlled by the Government or which have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC’s jurisdiction. The respective ERC determines the tariff for supply of electricity from a generating company to a licensee, transmission, wheeling, and retail sale of electricity. All States in India have ERCs in operation.

### ***Generation***

Currently, any generating company in India can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with the grid. Approvals from the Government, the State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are permitted to sell electricity to any licensees and where permitted by the respective SERCs, to consumers. The respective ERCs determine the tariff for the supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. CERC has jurisdiction over generating companies owned or controlled by the Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC’s jurisdiction.

In order to qualify as a captive generating plant, the Electricity Rules, 2005 as amended (the **Electricity Rules**) require that not less than 26 per cent. of the ownership of the plant be held by a captive user and not less than 51 per cent. of the aggregate electricity generated in such plant, determined on an annual basis, be consumed for captive use. If the minimum percentage of captive use is not complied with in any year, the entire electricity generated is treated as supplied by a “generating company” and benefits available to a “captive generating plant” (such as exemption from payment of certain levies and surcharges) will not apply in such year.

### ***Transmission***

Transmission, being a regulated activity, involves the intervention of various players. The Government is responsible for facilitating the transmission and supply of electricity, particularly inter-State, regional and inter- regional transmission. The Electricity Act vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government and empowers it to make regional demarcations of the country for the same. In addition, the Government will



facilitate voluntary inter-connections and co-ordination of facilities for the inter-State, regional and inter-regional generation and transmission of electricity. The CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a licence from the CERC and the SERCs, as the case maybe.

The Electricity Act allows generating companies open access to transmission lines. The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines specified by the CEA. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central Transmission Utility or the State Transmission Utility. The Electricity Act provides certain principles in accordance with which the appropriate ERC will specify terms and conditions for determination of the tariff. Under the Electricity Act, CERC is vested with the authority to determine the tariffs for inter-State transmission of electricity. A transmission licensee may, with prior intimation to CERC or the SERC, as the case may be, engage in any business for optimum utilisation of its assets, provided that a proportion of its revenues from such business be utilized for reducing its charges for transmission and wheeling.

### ***Trading***

The Electricity Act specifies trading in electricity as a licensed activity. This may involve wholesale supply or retail supply. The licence to engage in electricity trading is required to be obtained from the appropriate ERC. The CERC issued the CERC (Procedure, Terms and Conditions for Grant of Trading Licence and Other Related Matters) Regulations, 2009, as amended (**Trading Licence Regulations**) to regulate the inter-State trading of electricity. The Trading Licence Regulations define inter-State trading as the transfer of electricity from the territory of one State for resale to the territory of another State, and includes electricity imported from any other country for resale in any State of India or exported to any other country subject to compliance with applicable laws and clearance by appropriate authorities. Under the Trading Licence Regulations, any person desirous of undertaking inter-State trading in electricity shall apply to the CERC for the grant of a licence. The Trading Licence Regulations set out various qualifications for the grant of a licence for undertaking electricity trading, including certain technical and professional qualifications, and net worth requirements. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' reports. The existing licensees are required to meet the net worth, current ratio and liquidity ratio criteria and are required to pay the licence fee as specified by the CERC, from time to time. The licensees need to submit monthly reports and annual returns on over-the-counter contracts and transaction volumes on a weekly basis.

### ***Tariff Principles***

Under the Electricity Act, the ERCs determine the tariff for the supply of electricity by a generating company (as well as for transmission, wheeling and retail sale of electricity). In case of a shortage of electricity supply, the ERC may fix the minimum and maximum tariff for sale or purchase of electricity, pursuant to an agreement entered into between a generating company and licensee or between licensees, for up to one year. The Electricity Act provides that the ERC shall adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Government. The MoP has issued detailed guidelines for competitive bidding as well as standard bidding documents for competitive bid projects. Under guidelines issued by the MoP, the determination of the tariff for a particular power project depends on the mode of participation in the project, being (i) the MoU route, based on tariff principles prescribed by CERC (cost plus basis, comprising capacity charge, energy charge, unscheduled interchange charge and incentive payments); or (ii) the competitive bidding route, where the tariff is market-based.

### **Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019**

Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 as amended were applicable for the determination of the tariff between April 1, 2014 and March 31, 2019. Central Electricity Regulatory Commission (CERC) vide its notification dated 7th March, 2019 issued the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (**Tariff Regulations**), which are applicable for the tariff period 2019-24. These regulations are applicable in all cases where tariff for a generating station or a unit thereof and a transmission system or an element thereof is required to be determined by the Commission under section 62 of the Act read with section 79 thereof. Provided that any generating station for which agreement(s) have been executed for supply of electricity to the beneficiaries on or before 5.1.2011 and the financial closure for the said generating station has not been achieved by 31.3.2019, such projects are not eligible for determination of tariff under these regulations unless fresh consent of the beneficiaries is obtained and furnished. Further, these regulations are also not applicable on (a) Generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines 3 issued by the Central Government and adopted by the Commission under section 63 of the Act; and (b) Generating stations based on renewable

sources of energy whose tariff is determined in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017.

Important provisions as notified in these Tariff Regulations include :

- a) Retaining Rate of Return on Equity at 15.50% (for all regulated entities except pump storage hydro projects) and 16.50% (for pump storage hydro projects). However, additional return of 0.5% for timely completion of projects has been discontinued. Further, addition or reduction in ROE, depending upon ability to achieve ramp rate has been introduced.
- b) For computation of interest on working capital, receivables reduced from 60 days to 45 days, coal stock reduced from 15 days to 10 days for pit head and from 30 days to 20 days for non-pit head stations.
- c) While computing Energy Charge Rate of a coal based generating stations, an additional allowance of 85 kCal/kg on GCV 'as received' on account of variation during storage is allowed.
- d) Provision for supplementary capacity charges for additional capitalization and supplementary energy charges, on account of implementation of revised emission standards in existing generating station or new generating station.
- e) Provision of special single part tariff introduced so that such tariff may be recovered based on actual dispatch in respect of thermal generating station which have completed 25 years of operation from the date of commercial operation, where the generating company and the beneficiary may agree on an arrangement.
- f) Generating Stations which have signed Power Purchase Agreements on or before 5.1.2011, but not achieved financial closure by 31.3.2019, are required to obtain fresh consent from beneficiaries.
- g) Introduction of differential rate regime (to be effective from 1.4.2020) during Peak Hours and Off-Peak Hours for recovery of Capacity Charges, including a High Demand Season of three months (continuous or otherwise) and Low Demand Season of remaining 9 months (to be declared by the concerned RLDCs at least six months in advance).
- h) Provision of incentive for exceeding specified normative plant load factor at the rate of 65 paise/ kWh for ex-bus scheduled energy during Peak Hours and a 50 paise/ kWh for ex-bus scheduled energy during Off-Peak Hours.

In case of Hydro Generating Stations, the energy charge rate for secondary energy revised from ninety paise per kWh to one hundred twenty paise per kWh.

***Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009***

The Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009 as amended (the **CERC Regulations**) provide various transmission products, standardize procedures, define timelines and ensure a level playing field between market players. They provide the procedures and requirements for obtaining connectivity to inter-State transmission systems, obtaining medium-term open access and obtaining long-term access. There have been amendments to the CERC Regulations in relation to the appointment of a principal generator on behalf of the renewable energy generating stations. The CERC Regulations were amended on February 17, 2017 changing the definition of long-term access and medium-term open access to extend the right to use inter-State transmission systems (**ISTS**) for a period exceeding seven years and a period equal to or exceeding three months but not exceeding five years, respectively.

***Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010***

The Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended (the **Inter-State Regulations**) implement a point of connection method of sharing the transmission charges of inter-State transmission systems in India for a five-year period, replacing the earlier system of regional postage stamps. These regulations provide that the yearly transmission charges, revenue requirements on account of foreign exchange rate variations, changes in interest rates, and losses will be shared among the users. All the users will be default signatories to the

transmission service agreement, which also requires these users to pay the point-of-connection charge, which covers the revenue of transmission licensees. The point of connection tariffs are based on load flow analysis and capture the utilisation of each network element by the users. The Inter-State Regulations were amended on December 14, 2017 so no transmission charges and losses for the use of ISTS networks are payable for generation projects based on solar resources for 25 years if they fulfil prescribed conditions.

### ***Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012***

The Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012 as amended (the **Standard of Performance Regulations**) apply to all the inter- State transmission licensees to ensure compliance with performance standards and to provide for an efficient, reliable, coordinated and economic system of electricity transmission. The Standard of Performance Regulations also covers the methodology for calculating compensation in the case of loss on account of non-adherence.

### ***National Electricity Policy, 2005***

The National Electricity Policy was notified on 10 February 2005. This policy aims at accelerated development of the power sector, focusing on the supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources technology available to exploit these resources, economics of generation using different resources and energy security issues.

### ***National Tariff Policy, 2016***

In 2016, the Government, under the Electricity Act, notified the revised National Tariff Policy (the **Tariff Policy**) that replaced the tariff policy of 2006. The goals of the Tariff Policy are to ensure availability of electricity to consumers at reasonable and competitive rates, ensure the financial viability of the power sector, attract investment to the power sector, promote regulatory transparency, consistency and predictability across jurisdictions, minimize perceptions of regulatory risks, promote competition, ensure operational efficiency, improve the quality of the power supply, promote generation of electricity from renewable sources, promote hydroelectric power generation including pumped storage projects (**PSP**) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources, evolve a dynamic and robust electricity infrastructure for better consumer services, facilitate supply of adequate and uninterrupted power to all categories of consumers and ensure the creation of adequate capacity including reserves in generation, transmission and distribution in advance, for the reliability of supply of electricity to consumers. The Tariff Policy mandates that the relevant ERCs must reserve a minimum percentage for the purchase of solar energy equivalent to 8 per cent. of total consumption of energy by March 2022. In order to further encourage renewable sources of energy, the Tariff Policy mandates that no inter-State transmission charges and losses shall be levied until such period as may be notified on transmission of the electricity generated from solar power plants through the inter-State transmission system for sale. For transmission, the Tariff Policy aims to ensure optimal development of the transmission network with adequate margin for reliability, by efficient utilisation of generation and transmission assets and attracting investment providing adequate returns. The benefits of improved efficiency and new technology are passed on to consumers through reduced tariffs. It emphasizes the need for the appropriate regulator to ensure the recovery of all prudent costs when approving the financial restructuring of a transmission company.

The Tariff Policy requires that all future power requirements be procured competitively by distribution licensees except for expansion of pre-existing projects or State Government owned or controlled companies. Regulators must resort to tariffs set by reference to standards of the CERC, provided that the generating capacity expansion by private developers for this purpose is restricted to a one-time addition of not more than 100 per cent. of the existing capacity. Under the Tariff Policy, tariffs for all new generation and transmission projects are decided on a competitive bidding basis.

### ***National Electricity Plan***

#### ***National Electricity Plan 2012-2017***

The Electricity Act requires CEA to frame a National Electricity Plan once in five years and revise such plan from time to time in accordance with the National Electricity Policy. CEA released a National Electricity Plan in January 2012 (the **12<sup>th</sup> Five Year Plan**), which covers the period from 2012-2017 and includes short-term and long-term demand forecasts for different regions, suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power, including voltage profile and environmental considerations, including rehabilitation and resettlement,

integration of such possible locations with the transmission system and development of the national grid, including, type of transmission systems and requirements of redundancies, different technologies available for efficient generation, transmission and distribution and fuel choices based on economy, energy security and environmental considerations.

#### *Draft National Electricity Plan 2017-2022*

A committee was constituted in 2016 to create a 13<sup>th</sup> five year plan for India (the **13<sup>th</sup> Five Year Plan**) and the major highlights of the 13<sup>th</sup> Five Year Plan are as follows:

- (a) 115 per cent. of the 12<sup>th</sup> Five Year Plan target for capacity addition from conventional sources has been met;
- (b) revised renewable energy capacity target to 175 gigawatt (**GW**) by the year 2021-2022;
- (c) incremental energy savings due to implementation of various energy saving measures, during the year 2016/17, 2021/22 and 2026/27 estimated to be 26 billion units (**BU**), 137 BU and 204 BU respectively over the year 2015-16;
- (d) the projected peak demand is 235 GW and the energy requirement is 1,611 BU (after considering demand side management measures) at the end of year 2021/22 which is around 17 per cent. and 15.4 per cent. lower than the corresponding projections made by the 18th Electric Power Survey (**EPS**) issued by the MoP;
- (e) the projected peak demand is 317 GW and energy requirement is 2132 BU at the end of year 2026/27 which is around 20.7 per cent. and 21.3 per cent. lower than the corresponding projections made by the EPS;
- (f) no coal based capacity addition is required during the years 2017/22. Total capacity of 50,025 megawatt (**MW**) coal based power project is currently under different stages of construction and is likely to yield benefits during the period 2017/22. Total capacity addition during 2017/22 is likely to be 1,87,821 MW;
- (g) demand projection for the period 2022/27 reveals a coal based capacity addition of 44,085 MW is required. Coal based capacity of 50,025 MW is already under construction which is likely to yield benefits during 2017/22, consequently this coal based capacity will fulfil the capacity requirement for the years 2022/27;
- (h) expected that the share of non-fossil based installed capacity will increase to 46.8 per cent. by the end of 2021/22 and will further increase to 56.5 per cent. by the end of 2026/27 considering a capacity addition of 50,025 MW coal based capacity is already under construction and likely to yield benefits during 2017/22 and there will be no coal based capacity addition during 2022/27;
- (i) adequate manufacturing facilities exist in India for the main plant equipment. The lack of orders is a concern of all equipment manufacturers;
- (j) total fund requirement for generation capacity addition estimated to be ₹ 10, 33,375 crore during the period 2017/2022 which includes the funds required for the renewable energy sources capacity addition, as well as the expenditure made during this period for projects during the years 2022/27;
- (k) total fund requirement for 2022/2027 is estimated to be ₹ 6,05,965 crore excluding advance action for projects coming up during the period 2027/2032; and
- (l) estimated that 6.073 million tonnes of carbon dioxide emissions have been avoided during 2015/16 due to the commissioning of super-critical technology based coal powerplants.

The Central Electricity Authority (**CEA**) has revised the National Electricity Plan (**NEP**) after receiving feedback from more than 30 state-owned and private institutions, mostly questioning the redundancy of coal. To retire coal-based power completely, according to the CEA, India would need 6,440 Mw thermal power during 2017-22. In the earlier version of the NEP, which was released in 2017, the CEA had stated that the country did not need coal-based capacity addition until 2022.

#### *Government Initiatives and Policies*

- (i) Liquidity Package to Power Sector under Atmanirbhar Bharat Scheme
- (ii) Integrated Power Development Scheme

- (iii) Ultra Mega Power Projects
- (iv) Ujjwal Discom Assurance Yojana
- (v) Independent Transmission Projects

***Power for All – “24 x 7 POWER FOR ALL” PROGRAM (A Joint Initiative of Central Government and State Governments)***

The 24 x 7 program is joint initiative of the Government of India which is proposed to include participation of all States and Union Territories to facilitate 24 x 7 power for all, including households, industry, commercial businesses, public needs, agriculture & any other electricity consuming entity by 2019.

**Program Objectives:**

- (i) Reliable 24x7 supply to domestic, industrial and other consumers.
- (ii) Adequate power supply to agricultural consumers.
- (iii) To provide access to electricity to all unconnected households in next five years i.e. by FY 2018-19.

To meet the above objectives, a state specific roadmap for ‘Power for All’ has been finalized in consultation with the states in the form of the Power for All (PFA) documents. The PFA document covers:

- (i) **Generation:** To ensure adequate capacity addition planning and tie ups for power from various sources at affordable prices to meet the projected increase in power demand for the future.
- (ii) **Transmission:** Strengthen the transmission (inter-state or intra-state) network to cater to the expected growth in demand of existing as well as new consumers.
- (iii) **Distribution:** Providing access to all households along with the creation of a new distribution network or strengthening of existing infrastructure.
- (iv) **Financial Viability:** Financial measures including optimizing investments and undertaking necessary balance sheet restructuring measures to ensure liquidity in the utility finances. To ensure reduction of aggregate technical and commercial losses as per the agreed loss reduction trajectory.
- (v) **Renewable Energy:** Plan for enhancement of renewable energy sources along with an associated evacuation system (including the green energy corridor which aims at synchronising electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid).
- (vi) **Energy Efficiency:** Adoption of various energy efficiency measures like replacement with energy efficient agriculture pumps, encouraging use of light-emitting diode bulbs, solar street lights etc.

**Expectation from the State**

States are required to take the following actions:

- (i) Bring to the notice of the central government such issues that require assistance from any central ministry or need coordination between various ministries.
- (ii) Adopt best practices and emulate other States which have come up with innovative approach in providing electricity to every households.
- (iii) Explore possibilities of using renewable energy sources in providing electricity to remote areas where the extension of grid connection is not viable.
- (iv) Approach the central government for assistance in arranging gap funding requirement, if any.

- (v) Constitute a monitoring team to review progress of the projects regularly.
- (vi) Appoint a dedicated nodal officer for regular coordination with the Central Project Monitoring Unit at the Ministry of Power so that central and state government always remain coordinated in fulfilling the mission of 24x7PFA.

### **Monitoring Mechanism**

States are supposed to implement the following:

- (i) Paperless monitoring of the “24x7 Power For All” mission.
- (ii) A Central Programme Monitoring Unit under the chairmanship of the Joint Secretary (Distribution) with the Executive Director (T&D). The Company as convener has been constituted with officials from REC, PFC, NHPC and CEA.
- (iii) Each State to appoint a nodal officer for monitoring of the PFA programme.
- (iv) Monitoring of the PFA Programme is being performed entirely through a dedicated web portal.

### ***National Solar Mission***

The Ministry of New and Renewable Energy (**MNRE**) has approved a policy on the development of solar energy in India by the Jawaharlal Nehru National Solar Mission (**Mission**). The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022 and is aimed at reducing the cost of solar power generation in the country through: (i) long term policy; (ii) large scale deployment goals; (iii) aggressive research and development; and (iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by 2022. The mission will create an enabling policy framework to achieve this objective and make India a global leader in solar energy. The Government has revised the target of grid connected solar power projects from 20,000 MW by the year 2021-22 to 100,000 MW by the year 2021-22 under the Mission.

### **ENVIRONMENTAL LAWS**

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974 as amended, the Air (Prevention and Control of Pollution) Act, 1981 as amended and the Environment Protection Act, 1986 as amended (the **EPA**). The Pollution Control Boards (**PCBs**), which are vested with diverse powers to deal with water and air pollution, have been set up in each State to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The Ministry of Environment, Forest and Climate Change (“**MoEF**”), through its notification dated September 14, 2006, issued the environmental impact assessment notification (the **EIA Notification**) (which supersedes the notification dated January 27, 1994 – except in respect of acts done/omitted to be done before such supersession) pursuant to the provisions of the EPA. Projects and activities have been classified into two categories, category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man- made resources.

An amendment has been proposed to the EPA by way of the Environmental Laws (Amendment) Bill, 2015. Currently, the maximum fine that can be imposed on a polluting industry or other entities is ₹ one lakh and a jail sentence of up to five years. Even this requires the Government agencies to first file a complaint with a magistrate at the district level and secure a favourable order against the polluter. It is proposed in the amendment that the amount of fines for a polluting industry will be increased from ₹ one lakh to ₹ one crore and the fine is to be imposed without going through a judicial process prescribed in the current law. A designated officer is the final authority to decide. The amendment also envisages to make pollution a civil offence for which the Government can demand costs from polluters without taking recourse to courts.

### ***Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 as amended (the **Water Act**) aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a Central Pollution Control Board

and for various State Pollution Control Boards to be constituted to implement its provisions. The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system likely to discharge sewage or trade effluents into a water body, without prior consent of the State Pollution Control Board (the **SPCB**). In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard.

#### ***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 as amended (the **Air Act**) under which any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must obtain consent from the SPCB prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

#### ***Hazardous Wastes (Management and Handling) Rules, 1989***

The Hazardous Wastes (Management and Handling) Rules, 1989 as amended fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

### **LAWS RELATING TO INTELLECTUAL PROPERTY**

In India, trademarks enjoy protection under both statutory laws and common law jurisprudence. The Trademarks Act, 1999 as amended (the **Trademarks Act**) and the Copyright Act, 1957 as amended among others govern the law in relation to intellectual property, including brand names, trade names and service marks and research works. The Trademarks Act governs the statutory protection of trademarks in India. The Trademarks Act governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of ten years, and can be renewed in accordance with the specified procedure.

### **TAX LAWS**

#### ***Income Tax Act, 1961***

Income Tax Act is applicable to every domestic and foreign company whose income is taxable depending upon its 'residential status' and 'type of income' involved.

#### ***Goods and Services Tax ("GST")***

The Government brought about significant transformation in Indian indirect tax regime by introducing GST, which came into force from 1 July 2017. Under the GST, unified structures have been introduced to expand the tax base, rationalise the input tax credit and harmonise the current multiple indirect taxation laws in India. GST has replaced the indirect taxes previously levied by the Central and state Governments on goods and services, such as, central excise duty, service tax, customs duty, central sales tax, state VAT, and other cesses and surcharges applicable to supply of goods and services. All these erstwhile taxes have been subsumed in a single indirect tax called GST, which is levied on supply of goods and/or services at each stage of the supply chain.

## HISTORY AND CERTAIN CORPORATE MATTERS

### CONSTITUTION

Power Finance Corporation Limited (“**Company**” or “**PFC**”) was incorporated on July 16, 1986 under the Companies Act, 1956 as a public limited company, registered with the Registrar of Companies, National Territory of Delhi and Haryana (“**RoC**”), and received the certificate for commencement of business on December 31, 1987. Further, the Company was incorporated to finance, facilitate and promote India’s power sector development and was notified as a public financial institution under section 2 (72) of Companies Act, 2013 (erstwhile section 4A of Companies Act, 1956) on August 31, 1990. The Company is a systemically important non-deposit taking non-banking financial company (“**NBFC**”) registered with the Reserve Bank of India (“**RBI**”) under section 45 IA of the RBI Act, 1934 bearing registration number 14.00004 dated February 10, 1998. On July 28, 2010, the Company was classified as an Infrastructure Finance Company (“**IFC**”) vide registration certificate number B-14.00004. The Company was also conferred with the ‘Mini Ratna’ (Category – I) status on September 15, 1998 and on June 22, 2007, the Company was notified as a Navratna company by the government of India (“**GoI**”).

### CHANGES IN THE REGISTERED AND CORPORATE OFFICE

The registered office of the Company is currently situated at “Urjanidhi”, 1 Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. At the time of incorporation, the registered office of the Company was situated at Room No. 627, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110 001, India. On March 25, 1988, the registered office of the Company was shifted to Chandralok, 36, Janpath, New Delhi - 110 001, India. Subsequently, on September 23, 2006, the registered office of the Company was shifted to the current registered office address for ensuring administrative and operational efficiency.

### MAJOR EVENTS AND MILESTONES

Calendar Year	Event
1986	Incorporation of the Company.
1988	Commenced lending activities.
1990	Declared as a public financial institution under section 4A of Companies Act, 1956.
1996	Started funding private power projects.
1998	<ul style="list-style-type: none"> <li>• Registered as a NBFC with RBI;</li> <li>• Declared as a Mini Ratna (category I) public sector undertaking by the GoI.</li> </ul>
1999	Promoted Power Trading Corporation of India (now PTC India Limited) as a joint venture with NTPC, NHPC and Power Grid Corporation.
2007	<ul style="list-style-type: none"> <li>• Declared as a Navratna Public Sector Undertaking (“<b>PSU</b>”) on June 22, 2007;</li> <li>• Initial Public Offer (“<b>IPO</b>”) of equity shares with listing on both Bombay Stock Exchange (“<b>BSE</b>”) and National Stock Exchange (“<b>NSE</b>”).</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Appointed as the nodal agency for R-APDRP;</li> <li>• Incorporated PFC Consulting Limited (PFCCL) as wholly owned subsidiary.</li> </ul>
2010	Registered by RBI as “NBFC-ND-IFC” (Infrastructure finance company)
2011	Public issuance of long-term infrastructure bonds.
2012-13	Issued tax free bonds of 10 (ten) and 15 (fifteen) years tenors.
2014	<ul style="list-style-type: none"> <li>• Crossed ₹ two trillion loan assets;</li> <li>• Appointed as nodal agency for Integrated Power Development Scheme (“<b>IPDS</b>”).</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Incorporation of a subsidiary, namely Bihar Mega Power Limited on July 9, 2015, for the development of ultra-mega power projects;</li> <li>• Incorporation of two other subsidiaries, namely Deoghar Infra Limited &amp; Bihar Infrapower Limited on June 30, 2015, for the development of ultra-mega power projects;</li> <li>• PFC received “India Pride PSU Award 2015-16”.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• ‘SCOPE Gold Trophy for Good Corporate Governance for the year 2014-15’ to Mr. Rajeev Sharma, CMD.</li> </ul>
2017	<ul style="list-style-type: none"> <li>• Crossed annual sanctions of ₹ one trillion;</li> <li>• Issued 54 EC Capital Gain Bonds;</li> <li>• Issued \$ 400 million 10 years Reg S green bonds.</li> <li>• Amalgamation of PFC Green Energy Limited with the Company</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Issued \$ 300 million 10Y Reg S bonds;</li> <li>• Issued \$ 500 million 10Y Reg S/ 144A bonds under GMTN program.</li> </ul>



Calendar Year	Event
	<ul style="list-style-type: none"> <li>Amalgamation of PFC Capital Advisory Services Limited with PFC Consulting Limited</li> </ul>
2019	<ul style="list-style-type: none"> <li>Acquired 52.63% equity stake in REC Limited;</li> <li>Largest Financial Player in the Power Sector with about Rs. 6 trillion in Loan Assets</li> </ul>
2020	<ul style="list-style-type: none"> <li>Till December 31, 2020, the Company has sanctioned an amount of Rs.59,067 crores under the DISCOM Liquidity Package</li> </ul>

The Company is not operating under any injunction or restraining order.

### Strikes or Labour Unrest

The Company has till date, not lost any time on account of strikes or labour unrest or lock outs.

### AWARDS AND ACCREDITATIONS

A few select awards and accreditations received by the Company are as follows:

Calendar Year	Awards/Accreditations
2017	<ul style="list-style-type: none"> <li>Rajbhasha Kirti Pratham Puraskar received by Mr. Rajiv Sharma, Chairman &amp; Managing Director.</li> <li>PFC's Urja App won the "One Globe Award for Excellence in enabling a mobile economy".</li> <li>"SCOPE Gold Trophy for Good Corporate Governance"- 2017.</li> <li>Amar Ujala "CSR Award"-2017.</li> <li>First prize in "Annual Report" category at SCOPE CC Awards.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Construction industry development council's 'Partners in progress' Trophy for the year 2018.</li> <li>Rajbhasha Kirti Pratham Puraskar' (in category of Region 'A').</li> </ul>
2019	<ul style="list-style-type: none"> <li>CBIP Award 2019 for 'Best Power Finance Company.</li> <li>6<sup>th</sup> Governance Now Best PSU Award (Navratna)-2019.</li> <li>Mr. N.B. Gupta, Director (Finance), PFC won the 12<sup>th</sup> ICAI's Leaders and Business Excellence Awards for his dynamic and outstanding leadership.</li> <li>Dun &amp; Bradstreets' "India's Leading NBFC (2019) Award" in the "Infrastructure Financing".</li> <li>CMD PFC honoured with Energy Service Award.</li> <li>SCOPE Corporate Communication Excellence Award 2019 in the "Best Annual Report Category".</li> <li>PFC wins the Dun &amp; Bradstreet (D&amp;B) Award for Best PSU in 'Financial Services'.</li> <li>CMD, PFC received the Hindi Award.</li> <li>Rajbhasha Kirti Pratham Puraskar Award (in category of Region 'A').</li> <li>Construction Industry Development Council's (CIDC's) "Partners in Progress" Trophy for the year 2018.</li> <li>Amar Ujala "CSR Award" in 2018.</li> <li>First Prize in "Annual Report" category for Fiscal 2017 at the SCOPE CC Awards.</li> <li>One Globe Award for Excellence in Enabling a Mobile Economy for the URJA application at the 6<sup>th</sup> Annual One Globe Forum (2017).</li> <li>featured in the 2017 Fortune India 500, a list of India's largest corporations.</li> <li>SCOPE Gold Trophy for Good Corporate Governance", 2017.</li> <li>Winner, Financial Services – NBFC category at the 2016 Dainik Bhaskar India Pride PSU Awards.</li> <li>SCOPE Corporate Communication Excellence Award 2019 in Best Annual Report category</li> <li>Swachh Bharat Award 2019 for significant contribution under Swachh Bharat Kosh</li> <li>Rajbhasha Kirti Pratham Puraskar for the year 2018-19</li> <li>National CSR Award in the category of 'Environment, Sustainable Development &amp; Solar Energy'</li> <li>Asia's Most Trusted Companies Award 2019 by IBC</li> <li>Governance Now PSU Award in the category of Resilient Growth</li> </ul>

Calendar Year	Awards/Accreditations
2020	<ul style="list-style-type: none"> <li>• Rajbhasha Kirti Puraskar for the year 2019-20</li> <li>• Gold Award for ‘Best Performing PSU’ at the prestigious SKOCH Awards</li> <li>• ‘Beacons of Hope’- Certificate of Merit for its immense contribution on project for relief activities during COVID-19</li> <li>• Ranked 33 in Fortune 500 List of the Year 2000.</li> </ul>

### Main objects

The main objects as contained in Clause III A of the memorandum of association, *inter alia*, are:

- (1) To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.
- (2) To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical systems, standalone or that are part of large projects e.g. Projects of Lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.
- (3) To finance projects, activities, schemes for energy conservation, energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power, waste heat recovery system(s), e-vehicle(s) and setting up of Charging Stations.
- (4) To finance projects for establishment, expansion, modernization, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy & allied sectors.
- (5) To finance projects, works and activities having a forward or backward linkage with power projects included in clause A1, including but not limited to development of coal and other mining activity(ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) & to meet such other enabling infrastructure facility(ies) that may be required for a power project included in clause A1.
- (6) To finance studies, surveys, investigations, research on any project, activity, or work covered in clauses A1 to A4 and to carry out any activity including consultancy, training, etc. to promote the business interest of the company in any of the clauses A1 to A5.

The object incidental or ancillary to the attainment of the main object include the following:

- (1) To administer the moneys received from time to time as grants or otherwise for the purpose of the Company.
- (2) To borrow or raise money or to receive money on deposit or loan at interest or otherwise in such manner as the company may think fit and in particular by the issue of debentures, bonds or debentures stock, perpetual or otherwise and convertible into shares of this or any other company and to secure the repayment of such money borrowed raised or received or owing by mortgage, pledge, charge or lien upon or any other property, assets or revenue of the company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company, of any obligation undertaken by the company or any other person, firm or company, as the case may be and to pay commission, fees, brokerage in respect thereof.
- (3) To borrow for purposes of the company foreign currency or to obtain foreign lines of credit including commercial loans from any bank or financial institution or Government/Authority in India or abroad.

- (4) To develop appropriate criteria of financing power projects including in particular criteria for securing a balanced growth of power in all the regions and to optimise power development and supply.
- (5) To assign the financial resources more closely with physical requirements of projects in accordance with the national priorities and to secure satisfactory power supply in terms of availability, reliability and quality.
- (6) To promote efforts aimed at securing an integrated and efficient power system in accordance with the national policies and priorities and removing critical bottlenecks in power generation, transmission and distribution.
- (7) To develop appropriate systems for appraisal of the projects to be financed with particular reference to the techno-economic aspects, availability of managerial competence for proper implementation and financial viability in relation to approved criteria from time to time and to exercise such control and to stipulate such conditions as may be considered necessary for securing sound project construction, management and suitable technical and financial standards.
- (8) To develop appropriate concepts and criteria for economic and financial justification of projects and for monitoring implementation of the projects in relation to determined targets and for operation of power plants and systems aimed at attaining greater discipline and efficiency.
- (9) To secure close coordination with agencies involved in the power development programmes as necessary for expeditious, effective and timely completion of the projects financed.
- (10) To secure compliance with the requirements of the relevant laws, rules and regulations with respect to power projects and for such other matters related thereto including clearance and technical scrutiny by the Central Electricity Authority.
- (11) To ensure, as a pre-condition for approval of any loans, in respect of inter-State Power Projects or projects of regional importance, the existence of necessary agreement for sharing of power between the participating States.
- (12) To act upon such direction or directions on matters related to conduct of business or affairs of the company including in particular on matters concerning identification of projects, choice of schemes, regional priorities, technical, financial, economic, managerial standards and norms for the purpose of financing as may from time to time be given to the company by the President.
- (13) To construct, execute, carry out, improve work, develop, administer, manage or control works which expression in this Memorandum includes electric, light, power, telephonic, telegraphic and power supply works and all other works or conveniences, whatsoever.
- (14) To enter into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sublet any contracts from time to time.
- (15) To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Development Fund, or any other special Fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.
- (16) To establish provide, maintain and conduct experimental workshops for scientific and technical experiments, to undertake and carry on scientific and technical experiments and tests of all kinds, to promote studies, scientific and technical. investigations and inventions by providing, subsidising, engaging or assisting workshops, libraries, lectures, meetings and conferences and generally to encourage, promote and reward studies, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on.

- (17) To provide for the welfare of the employees or ex-employees of the company and the wives, widows and families or the dependents of connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grant of money, pensions and allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds. or trusts and by providing or subscribing or contributing towards places or instruction and recreation, hospitals and dispensaries, medical, education and other assistance as the company may think fit and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.
- (18) To guarantee the payment of money unsecured or secured, to guarantee or to become sureties for the performance of any contract or obligations.
- (19) To enter into any arrangements or agreements with the Government of India, or any local or State Government in India or with any authorities local or otherwise including foreign institutions, associations and agencies or with other persons that may seem conducive to the company's objects or any of them and to obtain from them any rights, powers and privileges, licenses, grants, concessions and assistance which the company may think it desirable to obtain or to carry out, exercise and comply with any such arrangements, agreements, rights, privileges and concessions.
- (20) To invest and deal with the moneys of the company in any of the securities, shares, investments, properties, movable and immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.
- (21) To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient and in particular to persons having dealings with the company.
- (22) To make, draw, accept, endorse, execute and issue cheques, promissory notes, bills of lading, debentures and other negotiable or transferable instruments.
- (23) To pay for any properties, rights or privileges acquired by the company either in shares of the company or partly in shares and partly in cash.
- (24) To open accounts with any individual, firm or company or with any bank or bankers or shroffs and pay into and withdraw moneys from such accounts.
- (25) To acquire or take over with or without consideration and carry on the business of agents by themselves or in partnership with others or companies or partnerships or concerns whose objects may be similar, in part or in whole to those of the company.
- (26) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this company and to acquire or hold shares therein.
- (27) To let out on hire all or any of the property of the company whether movable or immovable including all and every description of apparatus or appliances.
- (28) To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint ventures or reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in. or about to carry on or engage in any business or transactions which this company is authorised to carry on or engage in any business, undertaking or transactions which may seem capable of being carried on or conducted so as to directly or indirectly benefit this company.

- (29) To train and pay for the training in India or abroad any of the company's employees or any candidate or to recruit and employ experts in the interests of or furtherance of the company's objects.
- (30) To sell, let, exchange or otherwise deal with the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects, altogether or in part similar to those of this company.
- (31) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of property and rights of the company.
- (32) To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit this company or form any subsidiary company or companies.
- (33) To receive grants loans, advances or other moneys on deposit, or otherwise from State or Central Government, Banks, Companies, Trusts, institutions, associations, individuals with or without allowance of interest thereon.
- (34) To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Act of Authority in India or any other part of the world for enabling the company to obtain powers, authorities protection financial and other help. necessary or expedient to carry out or extend any of the objects of the company or for any other purposes which may seem expedient and to oppose any proceedings or applications or any other endeavors, steps or measures, which may seem calculated directly or indirectly to prejudice the company's interests.
- (35) To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidence of indebtedness or the right to participate in profits or other similar documents issued by any Government, authority, corporation or body or by any company or body of persons and any option or right in respect thereof.
- (36) To act as an agent of the Government or public sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any company engaged in the planning, investigations, research, design and preparation of preliminary feasibility/and detailed project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Government, public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.
- (37) Generally to do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.
- (38) To carry on the business of electric supply and to do all things incidental to such business, like purchase or otherwise, acquire from any Government, State or authority any licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the company capable of being turned to account and to work, develop, carry out, exercise and to account the same.
- (39) To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, radio transmitting or receiving stations or sets, dynamos, accumulators, and all apparatus in connection with the generation, accumulation, distribution, supply and employment of electricity, including all cables, wires, or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centers.
- (40) To undertake, carry out, promote, and sponsor any programme for development of power supply for promoting the social and economic welfare of, or the uplift of the rural population including in particular the economically weaker sections and to incur any expenditure in respect thereof and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.

- (41) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the company to the public or any section of the public as also any activity to promote national welfare or social, economic or moral uplift of the public or any section of the public.

The objects clause and the objects necessary for the furtherance of the main objects of the memorandum of association enable the Company to undertake the existing activities and the activities for which the funds are being raised through this issue.

#### **Signatories to the memorandum of the Company and the number of shares subscribed by them**

Provided below are the subscribers to the memorandum and the shares subscribed by each person:

<b>S. No.</b>	<b>Name of Subscriber</b>	<b>Address Description and Occupation, if any</b>	<b>No. of shares taken</b>
1.	President of India through Mr. M.M Kohli S/o Late Mr. S.B.C. Kohli	Secretary, Ministry of Energy, Department of Power, New Delhi	One
2.	Mr. Satish Khurana S/o Late Mr. Ganeshi Lal Khurana, Satish Khurana	Joint Secretary & Financial Adviser, Ministry of Energy, Department of Power, New Delhi	One
3.	Mr. K. Padmanabhaiah, S/o Mr.K. Janakiramayya	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
4.	Mr. J. C. Gupta, S/o Late Mr. Prakash Chandra Gupta	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
5.	Mr. A. K. Mago, S/o Late Mr. K. N. Mago	Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One
6.	Mr. M. K. Sambamurti S/o Late Mr. M. S. Krishnaswamy Iyer	Chairman, Central Electricity Authority, New Delhi	One
7.	Mr. S. A. Subramanian S/o Late Mr. A. Sundaresan	Member (Thermal), Central Electricity Authority, New Delhi	One

#### **JOINT VENTURE**

##### **ENERGY EFFICIENCY SERVICES LIMITED**

Energy Efficiency Services Limited (“EESL”) was incorporated as a public limited company on December 10, 2009 under the Companies Act, 1956. EESL intends to focus on energy efficiency and climate change initiatives. As on 30.09.2020, the Company has invested ₹ 245.50 crore in EESL. The Company had entered into a joint venture agreement with National Thermal Power Corporation, Power Grid Corporation of India Limited and Rural Electrification Corporation Limited on November 19, 2009 for incorporation of EESL as an implementation arm of the National Mission of Enhanced Energy Efficiency, which is a part of the National Action Plan on Climate Change. In line with the joint venture agreement of EESL, all the joint venture partners have identical rights and privileges including without limitation, dividend, voting rights etc., thereby providing substantive participative rights through their right to affirmative vote on certain reserved matters.

EESL has reported Profit after Tax of ₹ 34.51 crore for Financial Year 2019-20 as compared to ₹ 76.64 crore for Financial Year 2018-19.

As at 31.03.2020, the Company along with its subsidiary RECL holds 47.15% stake in equity share capital of EESL (24.97% directly and 22.18% through its subsidiary RECL). However, as at 31.03.2019, the Company and RECL held 58.06 % shareholding in EESL

## ENTITIES IN WHICH THE COMPANY HAS EQUITY INVESTMENT AS ON SEPTEMBER 30, 2020

### A. PTC INDIA LIMITED (formally known as Power Trading Corporation of India Limited)

PTC India Limited (“PTC”) was jointly promoted by Power Grid, NTPC, NHPC and PFC. PFC has invested ₹ 12 crore in PTC which is 4.05% of PTC's total equity. PTC is the leading provider of power trading solutions in India, a GoI initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country.

PTC has reported profit after tax of ₹ 320.11 crore for the financial year 2019-20 as compared to Profit after Tax of ₹ 262.32 crore for Financial year 2018-19. Further, for the half year ended on 30.09.2020, it has reported Profit After Tax of ₹ 233.86 crore as compared to Profit After Tax of ₹ 197.67 crore reported for half year ended on 30.09.2019.

As on 30.09.2020, PFC holds 1,20,00,000 shares of PTC valued Rs. 57.06 crore.

### B. POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (“PXIL”) is India's first institutionally promoted Power Exchange, that provides innovative and credible solutions to transform the Indian power markets. PXIL, provides nationwide, electronic exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL offers various products such as day ahead, day ahead contingency, any day, intra-day and weekly contracts. PXIL provides trading platform for renewable energy certificates. PFC's investment in equity shares of PXIL as on March 31, 2020 is ₹ 3.22 crore. Due to erosion of net worth of PXIL, PFC has provided the entire investment amount of ₹ 3.22 crore as provision for diminution in the value of investment in its books.

### C. NHPC LIMITED

PFC has initially invested 26,05,42,051 equity shares of NHPC Limited at the rate of ₹ 21.78 per share (including securities transaction tax, brokerage and other charges) amounting to ₹ 567.46 crore in April 2016 during disinvestment by GoI through offer for sale route. PFC has sold 2,60,68,811 number of equities shares as on 30.09.2020. As on 30.09.2020 PFC holds 23,44,73,240 shares of NHPC Limited valued at Rs. 467.78 crore.

NHPC has reported profit after tax of ₹ 2663.56 crore for the financial year 2019-20 as compared to Profit after Tax of ₹ 1807.15 crore for Financial year 2018-19. Further, for the half year ended on 30.09.2020, it has reported Profit After Tax of ₹ 2021.04 crore as compared to Profit After Tax of ₹ 2220.60 crore reported for half year ended on 30.09.2019.

### D. COAL INDIA LIMITED

PFC has invested 1,39,64,530 equity shares of Coal India Limited at the rate of ₹ 358.58 per share (including securities transaction tax, brokerage and other charges) amounting to ₹ 500.74 crore in February 2015 through offer for sale route. As on 30.09.2020, PFC holds 1,39,64,530 equity shares of Coal India Limited Valued at ₹195.57 crore .

CIL has reported profit after tax of ₹ 11,280.88 crore for the financial year 2019-20 as compared to Profit after Tax of ₹ 10,469.67 crore for Financial year 2018-19. Further, for the half year ended on 30.09.2020, it has reported Profit After Tax of ₹ 32.12 crore as compared to Profit After Tax of ₹ 190.54 crore reported for half year ended on 30.09.2019.

### E. SMALL IS BEAUTIFUL FUND (SIB)

The Small is Beautiful fund is a SEBI-registered venture capital fund managed by KSK Investment Advisor Private Limited, a private sector power developer. The Small is Beautiful fund takes up equity exposure in power generation projects. As of 30.09.2020, PFC's investment in SIB is valued at ₹ 6.12 crore.

### F. Rattan India Power Ltd.

PFC as lead FI has extended financial assistance to M/s RattanIndia Power Limited for setting up 1350 MW (5\*270) phase I thermal power Plant at Amravati, Maharashtra. The loan account was downgraded to STAGE III (NPA) on November 14,2017 due to non-payment of dues. The Company has entered into One Time Settlement scheme involving assignment of debt to Asset Reconstruction Company having principal outstanding of Rs. 1,917.44 crore along with interest and other charges during the year ended 31.03.2020. Subsequent to the implementation of OTS/ assignment of debt to ARC , among various other instruments including upfront cash component, the Company has also been allotted 23,51,27,715 equity shares of Rattan India Power Limited of FV of Rs.10/- each on 27-DEC-2019.

## DETAILS OF SUBSIDIARIES AND THEIR SPECIAL PURPOSE VEHICLES AS ON SEPTEMBER 30, 2020

### A. REC Limited

During FY 2018-19, PFC acquired 103,93,99,343 equity shares of REC (representing 52.63% of the share capital of REC) and has since become the holding company and also a promoter of REC. REC is also a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

As on 30.09.2020, PFC have 103,94,95,247 shares of REC Limited valued at Rs. 14500.50 crore.

REC has reported profit after tax of ₹ 4886.16 crore for the financial year 2019-20 as compared to Profit after Tax of ₹ 5763.72 crore for Financial year 2018-19. Further, for the half year ended on 30.09.2020, it has reported Profit After Tax of ₹ 4029.22 crore as compared to Profit After Tax of ₹ 2808.10 crore reported for half year ended on 30.09.2019.

### B. PFC Consulting Limited

PFC has been offering consultancy support to the Power Sector through PFC Consulting Limited, its wholly owned subsidiary incorporated on March 25, 2008. It is mandated to promote, organise and carry out consultancy services to the Power Sector and is also undertaking the work related to the development of UMPPs.

As on 30.09.2020, PFC has 52,246 shares of PFC Consulting Limited valued at Rs. 0.15 crore.

As on December 31, 2020, the following Special Purpose Vehicles (“SPVs”) have been incorporated as subsidiaries/ deemed subsidiaries of the Company:

Sr. No.	Name of Special Purpose Vehicle
1.	Coastal Maharashtra Mega Power Limited
2.	Sakhigopal Integrated Power Company Limited
3.	Orissa Integrated Power Limited
4.	Chhattisgarh Surguja Power Limited
5.	Bihar Mega Power Limited
6.	Bihar Infrapower Limited
7.	Cheyyur Infra Limited
8.	Ghogarpalli Integrated power Limited
9.	Coastal Karnataka Power Limited
10.	Odisha Infrapower Limited
11.	Deoghar Mega Power Limited
12.	Deoghar Infra Limited
13.	Tatiya Andhra Mega Power Limited
14.	Coastal Tamil Nadu Power Limited
15.	Jharkhand Infrapower Limited
<b>Subsidiaries of PFCL</b>	
1.	Bijawar-Vidarbha Transmission Limited
2.	Shongtong Karcham-Wangtoo Transmission Limited
3.	Tanda Transmission Company Limited
4.	Karur Transmission Limited



5.	Koppal-Narendra Transmission Limited
6.	Ananthpuram Kurnool Transmission Limited
7.	Bhadla Sikar Transmission Limited
8.	Bikaner-II Bhiwadi Transco Limited
9.	Khetri-Narela Transmission Limited
10.	Sikar-II Aligarh Transmission Limited
<b>Subsidiaries through REC</b>	
1.	REC Power Distribution Company Limited
2.	REC Transmission Projects Company Limited
3.	Dinchang Transmission Limited*
4.	Koderma Transmission Limited
5.	Chandil Transmission Limited
6.	Mandar Transmission Limited
7.	Dumka Transmission Limited
8.	Kallam Transmission Limited
9.	Gadag Transmission Limited
10.	Fatehgarh Bhadla Transco Limited
11.	Bidar Transmission Limited
12.	Sikar New Transmission Limited
13.	Ramgarh New Transmission Limited
14.	Rajgarh Transmission Limited
15.	MP Power Transmission Package-I Limited
16.	MP Power Transmission Package-II Limited

## Material Memorandum of Understanding (MoUs)

### A. Memorandum of Understanding (“MoU”) with REC

In terms of the MoU guidelines of Department of Public Enterprises (“DPE”), GoI, our Company entered into a MoU with REC on September 30, 2020 wherein targets under various performance indicators are specified for achievement during the financial 2020-21. The performance of the organisation is evaluated against these targets. A share purchase agreement dated March 20, 2019 was also entered into between the Company and the GoI for the transfer of 52.63% of share capital of REC to the Company.

### B. MoU with Government of India

The Company has signed a performance-based MoU with the ministry of power, GoI during the financial year 2020-21 detailing various targets to be achieved by the Company and containing various performance related parameters. The Company has been consistently accorded 'Excellent' Rating by Government of India since financial year 1993-94 except for financial year 2004-05. For the financial year 2018-19, the company was accorded 'Excellent rating'. The rating for financial year 2019-20 is still awaited.

## OUR MANAGEMENT

### Board of Directors

In accordance with our Articles of Association, the number of Directors shall not be less than three and not more than 15. As on date of this Shelf Prospectus, there are five Directors on our Board consisting of three whole-time Directors including the Chairman & Managing Director, one Government Nominee Director and one independent Director. The appointment, as well as terms and conditions of appointment of all the directors as well as the terms and conditions of the employment of whole-time Directors including the Chairman & Managing Director are done by GoI.

The following table sets forth details regarding the Board as on date of this Shelf Prospectus:

S. No.	Name, Designation, DIN, Nationality, Age and Occupation	Address	Director of our Company since	Other Directorships
1.	<p><b>Mr. Ravinder Singh Dhillon</b></p> <p>Designation: Chairman and Managing Director (Whole-time Director)</p> <p>DIN: 00278074</p> <p>Nationality: Indian</p> <p>Age: 57 years</p> <p>Occupation: service</p>	E-1/11, Vasant Vihar, New Delhi-110057	June 01, 2020 (appointment as Chairman and Managing Director)	<ul style="list-style-type: none"> <li>• PFC Consulting Limited</li> </ul>
2.	<p><b>Mr. Praveen Kumar Singh</b></p> <p>Designation: Director (Commercial) Director (Projects) (Whole-time Director)</p> <p>DIN: 03548218</p> <p>Nationality: Indian</p> <p>Age: 58 years</p> <p>Occupation: service</p>	C-9/9844, Vasant Kunj, Delhi-110070	August 10, 2018	<ul style="list-style-type: none"> <li>• Coastal Karnataka Power Limited</li> <li>• Sakhigopal Integrated Power Company Limited</li> <li>• REC Limited</li> <li>• Jharkhand Infra Power Limited</li> <li>• Ghogarpalli Integrated Power Company Limited</li> <li>• PFC Consulting Limited</li> <li>• Orissa Integrated Power limited</li> </ul>
3.	<p><b>Mr. R.C. Mishra</b></p> <p>Designation: Independent Director</p> <p>DIN: 02469982</p> <p>Nationality: Indian</p> <p>Age: 68 years</p>	2603, IT03, Jaypee Greens Wish Town, Sector 128, Noida-201304, Uttar Pradesh	July 11, 2019	<ul style="list-style-type: none"> <li>• Nil</li> </ul>

S. No.	Name, Designation, DIN, Nationality, Age and Occupation	Address	Director of our Company since	Other Directorships
	Occupation : retired civil servant			
4.	<b>Mr. Tanmay Kumar</b> Designation: Director (Government Nominee) DIN: 02574098 Nationality: Indian Age: 54 years Occupation: Joint Secretary, Ministry of Power	B-6, Tower 7, Type 6, Kidwai Nagar (East), New Delhi- 110023	November 04, 2020	<ul style="list-style-type: none"> <li>• NHPC Limited</li> <li>• SJVN Limited</li> <li>• REC Limited</li> </ul>
5.	<b>Mrs. Parminder Chopra</b> Designation: Director (Finance) (Whole- time Director) DIN: 08530587 Nationality: Indian Age: 53 years Occupation: Service	H.N.-196, Gujranwala Town, Part 2, Delhi- 110009	July 01, 2020	<ul style="list-style-type: none"> <li>• Coastal Tamil Nadu Power Limited</li> <li>• Cheyyur Infra Limited</li> <li>• PFC Consulting Limited</li> <li>• Bihar Mega Power Limited</li> <li>• Deoghar Mega Power Limited</li> <li>• Chhattisgarh Surguja Power Limited</li> <li>• Tatiya Andhra Mega Power Limited</li> <li>• PTC India Limited</li> <li>• Energy Efficiency Services Limited*</li> </ul>

\*Appointment as a nominee director of the Company on the board of EESL is currently underway.

### Brief Profiles of the Directors

**Mr. Ravinder Singh Dhillon**, 57 years, is the Chairman and Managing Director (CMD) of PFC. He holds B.E. (Electrical) degree from Thapar Institute of Engg. & Tech., and M. Tech. in Power Systems from IIT Delhi. As CMD, PFC, he is spearheading entire operations of PFC and also playing a critical role in implementation of key power sector initiatives of Govt. of India, namely Liquidity Package to Power Sector under Atmanirbhar Bharat Scheme, Integrated Power Development Scheme, 24X7 Power for All, Ultra Mega Power Projects, Independent Transmission Projects and Ujjwal Discom Assurance Yojana. He has over 35 years of varied experience spread across the entire value chain of power sector. His diverse work experience covers 3 years in Bharat Heavy Electricals Ltd. designing power generating equipment, 6 years in Central Electricity Authority with macro level planning of power systems, and 26 years in PFC, playing a key role in project appraisal, financial modelling, project monitoring & stressed asset resolution. Prior to being appointed as the Chairman and Managing Director of PFC, Mr. Dhillon held the post of Director (Projects), where he was responsible for business growth & asset quality.

**Mr. Praveen Kumar Singh**, 58 years, holds B.Tech. (Electrical) from IIT-BHU and M. Tech in Energy & Environment Management from IIT, Delhi. He has also completed “Global Energy MBA Program” from Bayer College of Business, University of Houston, USA. Prior to taking over as Director (Commercial), He has served as Executive Director (Projects) in PFC. He worked in various units of Projects Division in PFC for over 24 years. Earlier he had also worked for BHEL & CII for over 9 years. He has been representing PFC in various committees of Govt. of India. He is also Nominee Director of PFC on the Board of REC Limited since June 18, 2019. Mr. Singh has been given additional charge of Director (Projects), PFC in addition to his current portfolio w.e.f. June 01, 2020. He has been representing PFC in various committees of

Government of India. He also holds Directorships on Board of PFC Consulting Limited and SPV created for implementation of UMPP. He also served as appellate authority for RTI purposes in PFC.

**Mr. R.C. Mishra**, 68 years, started his career as a Management Trainee in the Punjab National Bank in 1977. Subsequently he joined the IAS in 1978. He holds a master's degree in Science from University of Allahabad and a master's degree in Business Administration from the University of Ljubljana, Slovenia. During his long career spanning around four decades, he held several important positions in various Public Enterprises/ Institutions, in the State Government of Manipur and the Government of India including Additional Secretary, Ministry of Urban Development, Government of India, Executive Director, Broadcasting Corporation of India (Prasar Bharati) and Joint Secretary, Ministry of Information and Broadcasting, GoI. His last assignment before superannuation in November 2012 was as Chief Provident Fund Commissioner and CEO of Employees Provident Fund Organization – a national level public body – in the grade and pay of Secretary to the Govt. of India. After retirement from IAS, he worked as Member and Acting Chairman, Appellate Authority for Industrial and Financial Reconstruction (AAIFR) under the Department of Financial Services, Ministry of Finance, Govt. of India. He has a strong academic interest, particularly, in the field of Public Policy and leveraging technology in delivery of Public Services. He prepared various reports/papers for national and international organizations of repute. He worked as Senior Visiting Fellow with the United Nations Environment Program (UNEP). He was also associated with several international bodies in various capacities including UNEP, UNESCO and UNICEF etc.

**Mrs. Parminder Chopra**, 53 years, holds a bachelor's degree in Commerce and is a qualified Cost Accountant and MBA. She took over the charge of Director (Finance), Power Finance Corporation Ltd. on July 1, 2020. She has more than 32 years of experience in power sector, serving in key power sector organizations like National Hydroelectric Power Corporation of India (NHPC) and Power Grid Corporation of India (PGCIL). She joined PFC in 2005 and was working as an Executive Director(Finance) before assuming charge as Director(Finance), PFC. She has handled a gamut of finance portfolios such as resource mobilization from domestic as well as international markets, banking & treasury, asset-liability management, stressed assets resolution etc.

**Mr. Tanmay Kumar**, 54 years, qualified for the IAS in 1993 (RJ) Batch, and holds a degree in B. Tech in Civil Engineering from IIT, Delhi and M. Tech in Soil Mechanics & Foundation Engineering from IIT, Delhi. He is presently working as Joint Secretary in Ministry of Power, Government of India. He has served in various capacities in Government of Rajasthan for almost 27 years. He has worked as Chairman of Rajasthan Renewable Energy Corporation (RREC) for 5 years. He has a rich and varied experience in the power sector.

#### **Relationship with other Directors**

None of the Directors of our Company are related to each other.

#### **Borrowing powers of our Directors**

Subject to the Memorandum and Articles of Association and pursuant to a resolution of our shareholders passed on September 29, 2020 under Section 180(1)(c) of the Companies Act, 2013, our Board is authorised to borrow up to a total amount of ₹ 6,00,000 crore in Indian rupees and in any foreign currency equivalent to USD 15Billion, for the purpose of the business of our Company, notwithstanding that the amount to be borrowed by our Company along with the amount already borrowed by the Company exceeds the aggregate of the paid-up capital and free reserves of our Company.

The Issue is being made pursuant to the resolution passed by the Board at its meeting held on February 12, 2020. The aggregate value of the Bonds issued under this Shelf Prospectus, together with the existing borrowing of our Company, is within the approved borrowing limits of ₹ 6,00,000 crore as approved vide the resolution of our shareholders dated September 29, 2020.

#### **Details of Appointment and Term of our Directors**

<b>S. No.</b>	<b>Name of Director</b>	<b>MoP Order No.</b>	<b>Term</b>
1.	Mr. Ravinder Singh Dhillon	F. No. 24-8/1/2019-PFC (MoP) dated September 16, 2020	Five years with effect from June 1, 2020 or till the date of his superannuation or until further orders, whichever is earlier.
2.	Mr. Praveen Kumar Singh	F. No. 24-8/1/2017-PFC Desk dated December 2, 2019	Five years with effect from August 10, 2018 or till the date of his superannuation, or until further orders, whichever is earlier

3.	Mrs. Parminder Chopra	F. No. 24-8/2/2019-PFC (MoP) dated August 20, 2020	Five years with effect from July 1, 2020 or till the date of his superannuation, or until further orders, whichever is earlier
4.	Mr. Tanmay Kumar	F. No. 8/1/2007-PFC Desk dated November 4, 2020	With immediate effect and until further orders.
5.	Mr. R.C. Mishra	No. 20/6/2017-Coord.dated July 11, 2017	Three years with effect from July 11, 2017 or until further orders, whichever is earlier

### Terms of Appointment and Remuneration of the Chairman & Managing Director

The present remuneration structure of the Chairman & Managing Director consists of pay, dearness allowance and other perks and benefits. The following table sets forth compensation paid to Mr. Ravinder Singh Dhillon, Chairman & Managing Director with effect from June 1, 2020:

S. No	Particulars	Remuneration
1.	Period	The appointment will be for a period of five years w.e.f. June 1, 2020 (date of appointment) in the first instance or till the date of superannuation or until further orders whichever event occurs earlier and in accordance with the provisions of the Companies Act, 1956 as amended.
2.	Pay	The Chairman & Managing Director will draw a basic pay of ₹ 2,33,490/- (Rupees Two lakhs thirty-three thousand four hundred and ninety only) per month in the scale of pay of ₹2,00,000-3%-3,70,000 from the date of assumption of office i.e. June 1, 2020.
3.	Dearness allowance	The Chairman & Managing Director would be paid dearness allowance in accordance with IDA scheme spelt out in the DPE's OMs. dated August 3, 2017.

### Other Directors

Independent Directors are paid remuneration by way of sitting fees for attending the Board/Committee meetings, as follows:

S.No.	Name of Committee/Board	Sitting Fee Amount (in ₹) per meeting
1.	Board Meetings	40,000
2.	Audit Committee	30,000
3.	Nomination, Remuneration and HR Committee	30,000
4.	Stakeholder Relationship and Shareholders'/Investors' Grievance Committee	30,000
5.	IT Strategy Committee	30,000
6.	CSR and Sustainable Development Committee	30,000
7.	Investment Committee of Directors	30,000

### Remuneration, commission, sitting fees, etc. paid by our Company to the Directors in the last three Fiscals

#### A. Chairman & Managing Director and Whole Time Directors

The remuneration paid to the Whole-time Directors comprises of remuneration, benefits, allowances and performance linked incentives etc. The following table sets forth the details of remuneration paid to the whole-time Directors during Fiscals 2020, 2019 and 2018:

(₹ in crores)				
S. No.	Name of the Director	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Mr. Ravinder Singh Dhillon	0.39	NIL	NIL
2.	Ms. Parminder Chopra	NIL	NIL	NIL
3.	Mr. Praveen Kumar Singh	0.73	0.42	NIL

## B. Remuneration of government nominee Directors

Government nominees were not entitled to any remuneration or sitting fee from the Company.

## C. Remuneration of Independent Directors

The Independent Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of ₹ 30,000 for attending each meeting of the Board and Committees of Directors is being paid its Independent Director. The following table sets forth the details of remuneration paid to the Independent Director during Fiscals 2020, 2019 and 2018

*(in ₹)*

S. No.	Name of the Director	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Mr. R.C. Mishra	4,40,000	NIL	NIL
2.	Mrs. Gouri Choudhury	6,10,000	5,40,000	2,20,000
3.	Mr Sitaram Pareekh	5,60,000	6,60,000	5,40,500

## Details of Changes in Directors in last three years:

S. No.	Name of Director	Designation and DIN	Date of Appointment	Date of Cessation	Tenure/Reason
1.	Mr. Rajeev Sharma	Chairman and Managing Director 00973413	October 01, 2016	May 31, 2020	Superannuation
2.	Mr. R. S. Dhillon	Director	June 12, 2019	May 31, 2020	Appointment as Chairman and Managing Director
		Chairman and Managing Director 00278074	June 01, 2020	-	
3.	Dr Arun Kumar Verma	Government Nominee Director 02190047	October 13, 2015	August 27, 2019	Completion of Tenure
4.	Mr. Mritunjay Kumar Narayan	Government Nominee Director 03426753	August 28, 2019	November 03, 2020	Completion of Tenure
5.	Mr. Tanmay Kumar	Government Nominee Director 02574098	November 04, 2020	-	Appointment
6.	Mr. Sitaram Pareek	Independent Director 00165036	February 06, 2017	February 05, 2020	Completion of Tenure
7.	Mrs. Gouri Choudhury	Independent Director 07970522	November 03, 2017	November 03, 2020	Completion of Tenure
8.	Mr. R. C. Mishra	Independent Director 02469982	July 11, 2019	-	Appointment
9.	Mr. N. B. Gupta	Director (Finance) 00530741	August 18, 2017	June 30, 2020	Superannuation

S. No.	Name of Director	Designation and DIN	Date of Appointment	Date of Cessation	Tenure/Reason
10.	Mrs. Parminder Chopra	Director (Finance) 08530587	July 01, 2020	-	Appointment
11.	Mr. D. Ravi	Director (Commercial) 00038452	November 16, 2015	May 31, 2018	Superannuation
12.	Mr. Praveen Kumar Singh*	Director (Commercial) 03548218	August 10, 2018	-	Appointment
13.	Mr. Chinmoy Gangopadhyay	Director (Projects) 02271398	January 01, 2017	April 30, 2019	Superannuation

\*Mr. Praveen Kumar Singh is also holding the additional charge of Director (Projects) w.e.f. 1<sup>st</sup> June, 2020.

### Relationship between our Directors

None of our Directors are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

### Interest of our Directors

Except as otherwise stated in the section titled “Annexure C - Financial Statements”, our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of this Shelf Prospectus in which the Directors are interested directly or indirectly, and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our independent Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted bonds pursuant to this Issue, if any.

Some of our Directors may also be regarded as interested in the Equity Shares and stock options held by them, their relatives or by the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, as well as the benefits arising out of such shareholding.

Further, none of the Directors have any interest in the promotion of our Company. Further, none of our Directors have any direct or indirect interest in any immovable property acquired by our Company in the two years preceding the date of this Shelf Prospectus or any immovable property proposed to be acquired by it.

Further, no relative of any of our Director has been appointed to any office or place of profit in our Company. No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue.

None of our Directors, nor any firm or company in which they are member has received or agreed to receive, in cash or shares or otherwise from any person either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by them or by such firm or company, in connection with the promotion or formation of the Company.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

No remuneration has been paid or is payable to any of our Directors by the Company’s subsidiaries or associate companies.

None of our Directors hold any equity shares in the Company’s Subsidiaries or associate companies or joint ventures.

### Other undertakings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

As on the date of this Shelf Prospectus, our Directors do not hold any outstanding options.

### Shareholding of Directors

For details of the shareholding of Directors in our Company, please refer to the section “*Capital Structure- Details of the Directors’ shareholding in our Company*” on page 54 of the Shelf Prospectus.

### Debenture holding of Directors as on December 31, 2020

S. No.	Name and Designation	Amounts (Rs)
1.	Mr. Ravinder Singh Dhillon Chairman & Managing Director	40,00,000/-
2.	Mr. R.C.Mishra Independent Director	Nil
3.	Mrs. Parminder Chopra Director (Finance)	Nil
4.	Mr. Praveen Kumar Singh Director (Commercial) Director (Projects)	20,000/-
5.	Mr. Tanmay Kumar (Government Nominee Director)	Nil

### Corporate Governance

The guidelines on corporate governance for Central Public Sector Enterprises dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises (“**DPE Guidelines**”) lay down certain corporate governance norms to be adhered to by all Central public sector enterprises. The DPE Guidelines require, among other things, that:

- (i) The number of functional directors should not exceed 50% of the actual strength of the Board.
- (ii) The number of directors nominated by the Government should not be more than two in number.
- (iii) In case of Central public sector enterprises listed with the stock exchanges and where the board of directors is headed by an executive chairman, the number of independent directors shall be at least 50% of the total strength of the board of directors. In other cases, the number of independent directors shall be at least one third of the total strength of the board of directors.
- (iv) None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

Our Company is in compliance with the requirements of Corporate Governance as prescribed under DPE, SEBI Listing Regulations, Companies Act 2013 and other Applicable Law except in relation to the composition of our Board and performance evaluation of Directors pursuant to SEBI Listing Regulations as exempted by SEBI via its letter to the Company dated October 19, 2020. As on date, the composition of the Board of Directors comprises of three whole- time Directors including the Chairman & Managing Director, one Government Nominee Director and one independent Director. Further, our Company is in compliance with the Corporate Governance norms as prescribed by RBI for non-deposit taking NBFCs.

### Committees of our Board



Our Company has constituted the following committees of Directors, having the members listed below:

S. No.	Names of the Committees	Members
1.	Audit Committee	Mr. R. C. Mishra, Chairman Mr. Tanmay Kumar, Member Mr. Praveen Kumar Singh, Member Mrs. Parminder Chopra, Permanent Invitee
2.	Nomination and Remuneration Committee	Mr. R. C. Mishra, Chairman Mr. Tanmay Kumar, Permanent Invitee Mr. Praveen Kumar Singh, Member/ Permanent Invitee Mrs. Parminder Chopra, Permanent Invitee
3.	Stakeholder Relationship and Shareholders'/Investors' Grievance Committee	Mr. R. C. Mishra, Chairman Mr. Praveen Kumar. Singh, Member Mrs. Parminder Chopra, Member
4.	Risk Management Committee of Directors	Mr. Praveen Kumar Singh, Chairman Mrs. Parminder Chopra, Member
5.	CSR and Sustainable Development Committee	Mr. R. C. Mishra, Chairman Mrs. Parminder Chopra, Member Mr. Praveen Kumar Singh, Member
6.	Loans Committee of Functional Directors	Mr. R. S. Dhillon, Chairman Mr. Praveen Kumar Singh, Member Mrs. Parminder Chopra, Member
7.	HR Committee	Mr. Praveen Kumar Singh, Chairman/Member Mrs. Parminder Chopra, Member
8.	Investment Committee of Directors	Mr. R. S. Dhillon, Chairman Mr. Praveen Kumar Singh, Member Mrs. Parminder Chopra, Member Mr. R. C. Mishra, Member
9.	IT Strategy Committee	Mr. R. C. Mishra, Chairman Mr. G. S. Patra, Permanent Invitee Mr. R. K. Bhardwaj, Permanent Invitee Mr. Sandeep Kumar, Permanent Invitee Mr. P. S. Sundaram, Member Mr. M. P. Gangwar, Member and Convener
10.	Asset-Liability Committee	Mrs. Parminder Chopra, Chairman Mr. Sandeep Kumar, Member Mr. Mohan Lal, Member Mrs. Samidha Jain, Member Mr. Sanjay Sharma, Member Secretary Mr. Pawan Kumar, Member Mr. Milind M. Dafade, Member

#### Payment or benefit to officers of our Company

Our Company follows a pay structure in conformity with the guidelines issued by DPE from time to time. Our Company also has in place various incentive schemes as a part of its compensation strategy to increase productivity and reward performance. Monetary benefits are paid to the employees on the basis of their individual and group performance. Further our officers are entitled to certain post-retirement medical benefits and statutory benefits and post-retirement pension upon superannuation.

## **Key Managerial Personnel**

Pursuant to the Companies Act, 2013, our Company has re-designated/appointed the following Key Managerial Personnel:

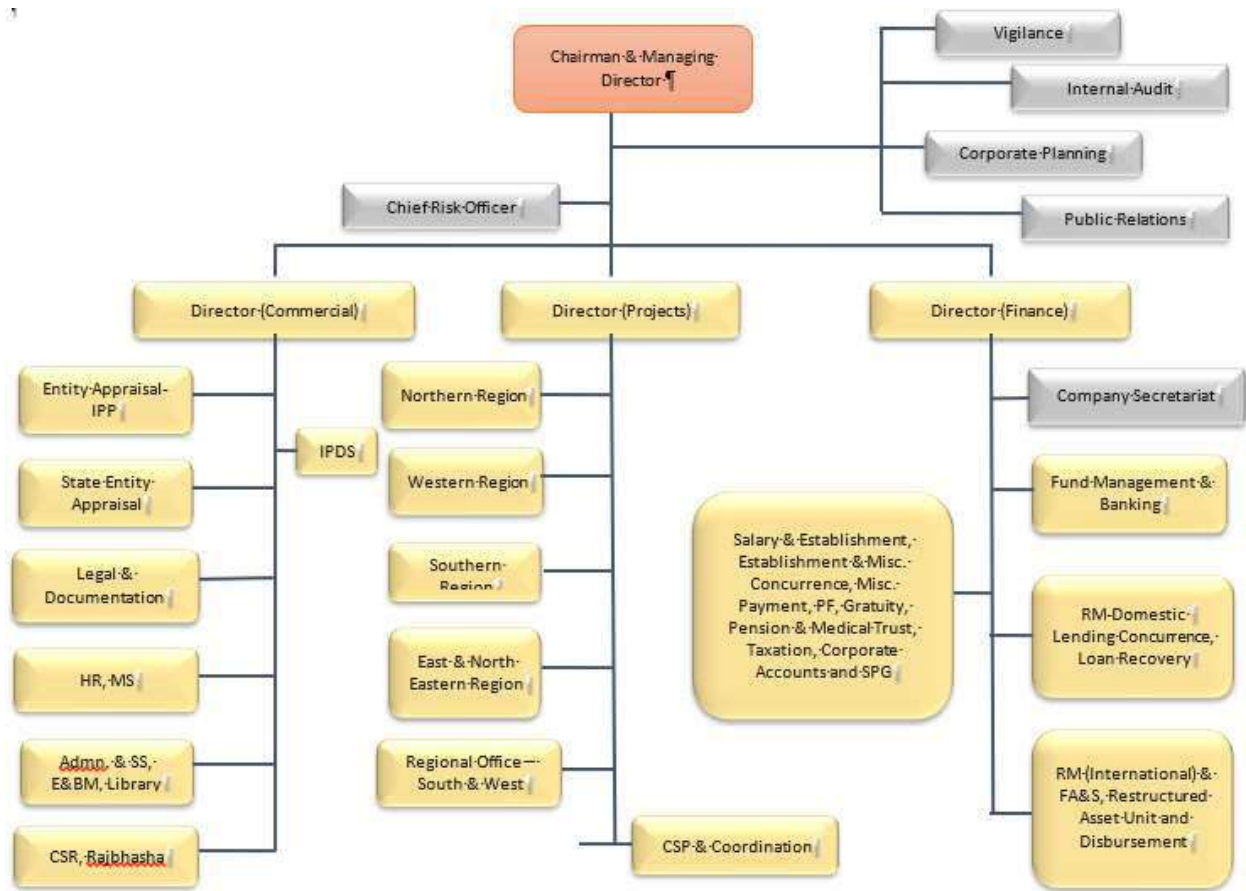
1. Mr. Ravinder Singh Dhillon, our Chairman & Managing Director, was also designated as our Company's Chief Executive Officer and Key Managerial Personnel;
2. Mrs. Parminder Chopra, Director (Finance), was also designated as our Company's Chief Financial Officer and Key Managerial Personnel;
3. Mr. R. C. Mishra, our Independent Director, was also designated as our Company's Key Managerial Personnel;
4. Mr. Praveen Kumar Singh\*\*, our Director (Commercial), was also designated as our Company's Key Managerial Personnel;
5. Mr. Manohar Balwani, our Company Secretary was also designated as our Company's Key Managerial Personnel; and
6. Mr. Tanmay Kumar, our Government Nominee Director, was also designated as our Company's Key Managerial Personnel.\*

\*In exercise of powers conferred by the Articles of Association of Power Finance Corporation Limited, the President of India vide Ministry of Power, Government of India, Order No. 8/1/2007-PFC Desk dated November 04, 2020 has appointed Mr. Tanmay Kumar, Joint Secretary, Ministry of Power as Director (Government Nominee) on the Board of Director of Power Finance Corporation Limited with effect from November 04, 2020. In pursuant to relevant section of Companies Act, an agenda for appointment of Mr. Tanmay Kumar as Government nominee Director, was placed in Board meeting held on November 12, 2020.

\*\* Mr. Praveen Kumar Singh is also holding the additional charge of Director (Projects) w.e.f. June 1, 2020.

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## Management Organisation Structure



**Abbreviations:**

IPDS: Integrated Power Development Scheme; HR: Human Resources; E&BM: Estate and Building Management; CSR: Corporate Social Responsibility; PF: Provident Fund; FA&S: Financial Analysis & Systems; SS: Support Services; CSP: Central Sector Projects & Coordination; RM: Resource Mobilization; ALCO :Asset Liability Committee

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## **OUR PROMOTER**

Our Promoter is the President of India acting through the Ministry of Power, Government of India.

### ***Shareholding of our Promoters in our Company***

For details of the shareholding of our Promoters in our Company as of December 31, 2020, please refer to the section “*Capital Structure – Details of Promoter’s shareholding in our Company*” on page 54 of the Shelf Prospectus.

### ***Interest of our Promoter***

Except as stated in the Annexure titled “*Financial Statements*” in Annexure C beginning on page 379 of the Shelf Prospectus, our Promoter does not have any other interest in our Company and its business.

**SECTION V – FINANCIAL INFORMATION**

**FINANCIAL INDEBTEDNESS**

The total outstanding borrowings of the Company as on December 31, 2020, are as follows:

S. No.	Nature of Borrowings	Amount# (₹ in crore)
1.	Secured Borrowings	35,836.66
2.	Unsecured Borrowings	2,97,276.04

# In accordance with IND-AS (includes interest accrued but not due)

**A. Secured Rupee Term Loans availed by our Company**

Set forth below is a brief summary of the rupee term loans taken by our Company from various banks and the amounts outstanding therein as of December 31, 2020:

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
1.	Oriental Bank of Commerce	Term loan agreement dated February 22, 2019	1,500.00	1,508.51	6.7% (Interest at the benchmark rate of 1 (one) year MCLR payable monthly).	4(four)equal yearly installments of INR 375 crore post moratorium of 2 (two) years from the date of first disbursement.  Portion I: February 25,2022.  Portion II: February 25,2023.  Portion III: February 25,2024.  Portion IV: February 25,2025.  Prepayment: Prepayment	In the case of any default/failure in keeping external credit rating from any RBI approved agency, the bank is entitled to charge an additional interest at the rate of 1 % (one percent)p.a. over the normal rate of interest, from the date of default till the submission of the same.  In the case of default/failure in payment of monthly interest and/or any other instalment on due date, the bank is entitled to charge a penal interest at the rate of 2% (two percent) is	First ranking pari passu charge on live receivables except those specifically/ exclusively charged to lenders/ trustees to the extent of 110% of the outstanding loan balance.

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
						penalty is waived.	charged over and above the normal rate of interest on the overdue amount.	

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
2.	Allahabad Bank	Term loan agreement dated June 24, 2019	1,800.00	1810.70	6.7% (Interest at the rate of 1(one) year MCLR payable monthly).	12 equal quarterly installments of INR 150 crore each after 4(four) years moratorium.  Prepayment: Prepayment penalty is waived	In case of failure/delay in repayment of advances/ interest or default or irregularity in observances of the terms and conditions, the bank is entitled to charge additional interest at the rate of 1 % (one percent) p.a...	Pari passu charge over the receivables of the Company except those on which specific charge has been created.
3.	Bank of Maharashtra	Term Loan Agreement dated March 08, 2019	750.00	750.00	6.9 (Interest at the rate of 1 (one) year MCLR payable monthly).	12 structured quarterly installments after 2 (two) years of moratorium starting from the date of first disbursement.  Prepayment: Pre-payment penalty @1 % (one percent) shall be levied if the amount is	In case of failure to comply with any of the terms and conditions captured in the sanction letter and term loan agreement, the bank is entitled to capitalize interest, in addition to the right of the bank to charge additional/penal interest @ 2% (two percent) or such other rate as may be stipulated by bank.	First charge on receivables except the specific receivables in respect of which charge has already been created in favour of trustee.

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
4.	Corporation Bank	Agreement relating to term loan dated September 22, 2019	400.00	400.00	6.75% (Interest at the rate of 1 (one) year MCLR payable monthly).	Bullet payment after completion of 3 (three) years from the date of first disbursement.  Prepayment: Prepayment penalty waived	In case of failure to create and perfect security within 3 (three) months from the date of first disbursement, the bank will be entitled to charge 1% (one percent) penal interest on the entire outstanding balance for the default period of creation and perfection of security.	Pari passu charge on receivables of the Company to the extent of 100% outstanding term loan balance excluding receivables exclusively charged to trustee.



S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
5.	Corporation Bank	Agreement for secured term loan dated March 14, 2019	800.00	800.00	6.75 (Interest at the rate of 3 (three) month MCLR plus spread of 20 b ps payable monthly).	To be repaid in 5 (five) years, in yearly instalment of 200 crore. Interest to be recovered as and when debited. Prepayment: Prepayment penalty has waived subject to 7 (seven) days'	In case of failure to pay monthly interest and/or any instalment due, the arrears of interest and/or instalments in the loan shall bear penal interest @ 2% p.a.. on the amount of default until the amount of interest and/or instalment in arrears are paid.	First pari passu charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, cost and expenses related to the term loan except for those receivables already charged in favour of the
6.	Canara Bank	Agreement for term loan dated February 19, 2019	1,000.00	1005.78	6.8 (Interest at the rate of 1 (one) year MCLR payable monthly).	Principal to be repaid by way of bullet repayments at the end of respective tenor. Prepayment: Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement.	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at such periodicity as determined by the bank, the Company shall be liable to pay penal interest at	First pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the extent of 100% of payment/repayment of term loan including interest, additional interest costs

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
7.	Canara Bank	Agreement for term loan dated June 19, 2019	2,000.00	2011.56	6.8% (Interest at the rate of 1 (one) year MCLR payable monthly).	Principal to be repaid by way of bullet repayments at the end of respective tenor. Prepayment: Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement.	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at such periodicity as determined by the bank, the Company shall be liable to pay penal interest at 2% p.a.. or such other rates as prescribed by the bank.	First pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the extent of 100% of payment/repayment of term loan including interest, additional interest, costs and expenses as per the transaction documents.

8.	Bank of India	Term Loan Agreement dated March 01, 2019	1,000.00	1005.69	6.7% (Interest at the rate of 1 (one) year MCLR payable monthly).	<p>2equalinstalments at the end of 5th year and 6<sup>th</sup>year from the date of first disbursement.</p> <p>Prepayment: Prepayment penalty is waived if the loan is prepaid after 6 months from the date of availment of loan or September 30, 2019, whichever is later.</p> <p>The company is required to provide a notice of 2 days failing which the bank shall be entitledto charge prepayment penalty at 1%.</p>	In case of a default in payment of any instalment/interest, the Company shall be liable to pay penal interest at 2% p.a..	First pari passu charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship Limited.
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S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
9.	Allahabad Bank	Term Loan Agreement dated November 15, 2019	500	502.97	6.7 % (Interest at the rate of 1 (one) year MCLR payable monthly).	12 (twelve) equal quarterly installments after 4 years moratorium. Prepayment: Prepayment: Prepayment penalty waived	In case of a default in payment of any instalment/interest, the Company shall be liable to pay penal interest at 1% p.a..	First pari passu charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
10	Bank of Baroda	Agreement for Term Loan dated September 24, 2020	1400	1400.25	6.55% (Interest at the rate of overnight MCLR).	8 (eight) equal quarterly installments at the end of the tenor from the date of disbursement.  Prepayment: Prepayment penalty waived subject to company providing 30 days pre-payment notice. Minimum lock-in period is 6 months from	In case of overdues on the account/ on compliance of major terms and conditions of sanction, company to pay penal interest at 2% p.a. on the entire outstanding balance under the facilities.	First pari passu charge on the receivables of the Company limited to the payment/repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship Limited to the

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
11	Indian Bank	Medium Term Loan Agreement dated September 28, 2020	1500	1508.91	6.7% (Interest at the rate of 1 (one) month MCLR).	8 (eight) equal half yearly installments payable after initial moratorium of 12 months from the date of disbursement  Prepayment:  Borrower can prepay the loan in full/part at any time without any prepayment	In case of default in repayment of dues the Bank is entitled to charge a higher rate of interest as per RBI directives/ the Banks' rules.	First pari passu charge over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited.

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
12	Oriental Bank of Commerce	Agreement for Term Loan dated September 26, 2019	225	226.28	6.7 % (Interest at the rate of 1 (one) year MCLR)	8 (eight) equal half yearly installments payable after initial moratorium of 12 months from the date of disbursement  Prepayment:  Borrower can prepay the loan in full/part after 4 months from the first date of disbursement without any prepayment penalty and	If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 2%	First pari passu charge over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited.

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
13	State Bank of India	Rupee Term Loan Agreement dated July 7, 2020	5000	5028.45	6.7% (Interest at the rate of 1 (one) year MCLR plus spread of .05%)	6 (six) equal half yearly installments payable after initial moratorium of 18 months from the date of disbursement  Prepayment:  In case of prepayment during lock-in period of 1 year from date of disbursement of each tranche.	If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 3.5%	First pari passu charge over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited.



S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
14	Union Bank of India	General Term Loan Agreement dated September 30, 2020	1800	1800	6.75% (Interest at the rate of 1 (one) month MCLR)	4 (four) equal yearly instalments after 1 year moratorium from the date of first disbursement.  Prepayment: Borrower can prepay the loan in full/part at any time without any prepayment penalty and notice.	If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 2%	First pari passu charge over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited.

S No	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a.)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
15	Karnataka Bank	(i) Sanction Letter dated September 27, 2019  (ii) Deed of Hypothecation dated September 30, 2019	500	500	7% (12 months T-bill rate plus applicable spread).	5 (five) quarterly installments after moratorium of 19 (nineteen) months  Prepayment: Prepayment is permitted only after first reset of interest rate without any penalty, subject to prior notice of 2 days.	If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 5%	First pari passu charge over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited.
<b>Total</b>			<b>20,175</b>	<b>20,259.09</b>				

# As per IND AS (includes interest accrued but not due)

### B. Secured bonds issued by our Company

Set forth below is a brief summary of the secured bonds issued by our Company and the amounts outstanding therein as of December 31, 2020.

(i) Secured taxable Infrastructure bonds as on December 31, 2020.

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all
1.	8.30% Long Term Infrastructure Bonds Series-I	66.83	53.09	March 31, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.30% p.a..	Charge by way of mortgage of the right, title and interest in the immovable property as specified in the first schedule of the trust deed and exclusive first charge by way of hypothecation of receivables as detailed under second schedule of the trust deed.	AAA from CRISIL, ICRA and CARE
2.	8.30% Long Term Infrastructure Bonds Series-II	139.667	237.70	March 31, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.30% p.a..		
3.	8.50% Long Term Infrastructure Bonds Series - III	6.135	5.61	March 31, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a..		
4.	8.50% Long Term Infrastructure Bonds Series - IV	22.75	42.87	March 31, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a..		
5.	8.50% Long Term Infrastructure Bonds Series-I	32.43	22.06	November 21, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.50% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all
6.	8.50% Term Infrastructure Bonds Series-II	51.15	76.43	November 21, 2011	Repayable at the end of 10 years from the deemed date of allotment at 8.50% p.a..	deed and first pari passu charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue FY 2010-11 (charged in favour of trustee)	
7.	8.75% Long Term Infrastructure Bonds Series - III	3.23	2.89	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..		
8.	8.75% Long Term Infrastructure Bonds Series IV	8.83	16.70	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..		
9.	8.43% Long Term Infrastructure Bonds Series 86 A	9.04	7.86	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a..	First pari passu charge by mortgage of the right, title and interest in the immovable property as specifically detailed in the First Schedule of the trust deed and first pari passu charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue FY 2010-11 (charged in favour of trustee)	
10.	8.43% Long Term Infrastructure Bonds Series 86 B	17.81	31.47	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a..		
11.	8.72% Long Term Infrastructure Bonds Series 86 C	0.95	3.46	March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all
12.	8.72% Long Term Infrastructure Bonds Series - 86-D	2.75	2.46	March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		
<b>Total</b>		<b>361.572</b>	<b>502.60</b>				

# As per IND AS (includes interest accrued but not due)

### C. Secured tax free bonds as on December 31, 2020:

Set forth below is a brief summary of the secured tax free bonds issued by our Company and the amounts outstanding therein as of December 31, 2020:

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
1.	Debenture Series 79-A	205.23	208.52	October 15, 2011	Repayable at the end of 10 years from the date of allotment at 7.51% p.a..	First pari- passu charge over Company's Immovable properties as described in the first schedule of debenture agreement	AAA from CRISIL, ICRA and CARE
2.	Debenture Series 79-B	217.99	221.60	October 15, 2011	At the end of 15 years from the date of allotment at 7.75% p.a..	and first pari- passu charge over all present and future receivables excluding receivables on which specific charge has already been created by Company.	
3.	Debenture Series 80-A	334.31	337.05	November 25, 2011	Repayable at the end of 10 years from the date of allotment at 8.09% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
4.	Debenture Series 80-B	209.34	211.07	November 25, 2011	Repayable at the end of 15 years from the date of allotment at 8.16% p.a..		
5.	Debenture Series 94-A	255.00	257.01	November 22, 2012	Repayable at the end of 10 years from the date of allotment at 7.21% p.a.		
6.	Debenture Series 94-B	25.00	25.20	November 22, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
7.	Debenture Series 95-A	30.00	30.20	November 29, 2012	Repayable at the end of 10 years from the date of allotment at 7.22% p.a.		
8.	Debenture Series 95-B	100.00	100.67	November 29, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
9.	8.20% Public Issue of Tax Free Bonds Series 1 2011-12	2,752.55	2,775.26	February 01, 2012	Repayable at the end of 10 years from the date of allotment at 8.20% p.a.	First pari passu charge over Company's Immovable properties as described in the first schedule of	

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
10.	8.30% Tax Free Bonds Series 2 2011-12	1,280.58	1,328.81	February 01, 2012	Repayable at the end of 15 years from the date of allotment at 8.30% p.a.	debenture trust deed and first pari passu the Hypothecated Properties as described in the second schedule of	
11.	7.19% Tax Free Bonds Tranch 1 Series 1 2012-13	193.40	211.18	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.19% p.a. for Category I, II and III investors.	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as	
12.	7.69% Tax Free Bonds Tranche 1 Series 1 2012-13	149.35	156.80	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.69% p.a.. for Category IV investors.	described in the second schedule of debenture trust deed.	
13.	7.36% Tax Free Bonds Tranche 1 Series 2 2012-13	159.81	174.63	January 04, 2013	Repayable at the end of 15 years from the deemed date of allotment at 7.36% p.a. for Category I, II and III investors.		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
14.	7.86% Tax Free Bonds Tranche 1 Series 2 2012-13	197.19	209.46	January 04, 2013	Repayable at the end of 15 years from the deemed date of allotment at 7.86% p.a. for Category IV investors.		
15.	6.88% Tax Free Bond Tranche-II Series I 2012-13	52.38	55.68	March 28,2013	Coupon Rate: 6.88% p.a. for non-retail investors Maturity and Redemption: At the end of 10 years from the date of allotment		
16.	7.38% Tax Free Bond Tranche-II Series I 2012-13	43.78	43.81	March 28,2013	Coupon Rate: 7.38% p.a. for retail investors Maturity and Redemption: At the end of 10 years from the date of allotment		
17.	7.04% Tax Free Bond Tranche-II Series II 2012-13	8.89	13.65	March 28,2013	Coupon Rate: 7.04% p.a. for non-retail investors Maturity and Redemption: At the end of 15 years from the date of allotment		



S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
18.	7.54% Tax Free Bond Tranche-II Series II 2012-13	60.32	61.40	March 28,2013	Coupon Rate: 7.54% for retail investors  Maturity and Redemption: At the end of 15 years from the date of allotment		
19.	8.18% Tax Free Bonds Series 1 A 2013-14	325.07	328.43	November 16, 2013	Repayable at the end of 10 years from the deemed date of allotment at 8.18% p.a.	First pari-passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.	
20.	8.43% Tax Free Bonds Series 1 B 2013-14	335.47	339.03	November 16, 2013	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a.		
21.	8.54% Tax Free Bonds Series 2 A 2013-14	932.70	942.74	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.54% p.a.		
22.	8.79% Tax Free Bonds Series 2 B 2013-14	353.32	357.23	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.79% p.a.		
23.	8.67% Tax Free Bonds Series 3 A 2013-14	1067.38	1,079.04	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.67% p.a..		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
24.	8.92% Tax Free Bonds Series 3 B 2013-14	861.96	871.65	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.92% p.a.		
25.	7.11% Tax Free Bonds Series 1 A 2015-16	75.10	76.31	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.11% p.a.	First pari-passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.	
26.	7.36% Tax Free Bonds Series 1 B 2015-16	79.35	80.46	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.36% p.a.		
27.	7.27% Tax Free Bonds Series 2 A 2015-16	131.33	133.32	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.27% p.a.		
28.	7.52% Tax Free Bonds Series 2 B 2015-16	45.18	45.88	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.52% p.a.		
29.	7.35% Tax Free Bonds Series 3 A 2015-16	213.57	216.84	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.35% p.a.		
30.	7.60% Tax Free Bonds Series 3 B 2015-16	155.48	157.94	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.60% p.a.		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
31.	Debenture Series 107-A	113.00	116.07	August 30, 2013	Repayable at the end of 10 years from the date of allotment at 8.01% p.a.	First pari passu charge, on total receivables of our Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by our Company limited to payment/ repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by our Company to the Bondholders and/or others pursuant to the Transaction	
32.	Debenture Series 107-B	1,011.10	1,040.16	August 30, 2013	Repayable at the end of 15 years from the date of allotment at 8.46% p.a.		
33.	Debenture Series 136	300.00	309.89	July 17, 2015	Repayable at the end of 10 years from the date of allotment at 7.16% p.a.		
<b>Total</b>		<b>12,275.13</b>	<b>12,516.99</b>				

# As per IND AS (includes interest accrued but not due)

#### D. Secured Taxable Bonds

Secured taxable bonds issued by our Company as on December 31, 2020:

S. No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
1.	Debenture 112-C	270.00	294.04	January 31, 2014	Coupon Rate: 9.70% p.a. Maturity and Redemption:	First pari passu charge on total receivables of our Company, excluding the receivables on	AAA CRISIL, and CARE from ICRA

S. No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
					At the end of 7 years from the deemed date of allotment	which specific charge has already been created by our Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable /repayable by our Company to the Bond holders and/or others under/ pursuant to the Transaction Documents.	
<b>Total</b>		<b>270.00</b>	<b>294.04</b>				

#As per IND AS (includes interest accrued but not due)

#### E. 54 EC Capital Gain Tax Exemption Bonds

Set forth below is a brief summary of the capital gain tax exemption bonds/ debentures issued by our Company and the amounts outstanding thereon as of December 31, 2020:

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
1.	Series I (2017-18)	239.48	155.03	On tap	Coupon Rate: 5.25% p.a.  Maturity and Redemption:  At the end of 3 years from the deemed date of allotment	First ranking pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment	AAA from CRISIL, ICRA and CARE

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
						/ repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	
2.	Series II (2018-19)	491.95	503.89	On tap	Coupon Rate: 5.75% p.a.  Maturity and Redemption:  At the end of 5 years from the deemed date of allotment	First ranking pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	
3.	Series III (2019-20)	1134.39	1,161.96	On tap	Coupon Rate: 5.75% p.a..  Maturity and Redemption:	First ranking pari passu charge on total receivables of the Company, excluding the receivables on which specific	

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
					At the end of 5 years from the deemed date of allotment	charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	
4.	Series IV (04-11) (2020-21)	520.79	443.03	On tap	Coupon Rate: 04-07 Series (258.62) at 5.75% p.a. till July 31, 2020 08-11 Series (184.41) at 5% p.a. w.e.f. August 01, 2020 Maturity and Redemption: At the end of 5 years from the deemed date of allotment	First ranking pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	
<b>Total</b>		<b>2,386.61</b>	<b>2,263.91</b>				

#As per IND AS (includes interest accrued but not due)

### F. Unsecured Term Loans availed by the Company

Set forth below is a brief summary of unsecured term loans availed by our Company from various banks/financial institutions/ government entities:

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding#(Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
1.	**Bank of Baroda	Term loan agreement dated June 14, 2019	1900.00	1900.37	7.05%  (Interest at 1 (one) year MCLR payable monthly).	The Company shall repay the facility in 5 (five) structured annual installments starting from April 15, 2020 to April 15, 2024.
2.	**Bank of Baroda	Agreement for demand term loan dated March 01, 2019	700.00	700.13	7.05%  (Interest at 1 (one) year MCLR payable monthly).	Bullet repayment after 24 months from the date of disbursement.
3.	***UCO Bank	Term Loan Agreement dated February 22, 2019	1,000.00	1000.19	6.85%  (Interest at 1 (one) month MCLR payable monthly).	The Company shall make bullet repayment at the end of 36 (thirty six) months from the date of disbursement. Interest is payable on monthly interval
4.	****SBI	Term Loan Agreement dated September 26, 2018	6,000.00	6034.12	6.7%  (6 month MCLR plus spread of 5 bps payable monthly).	The Company shall make bullet repayment at the end of 60 months from the date of disbursement
5.	*****Canara Bank	Agreement dated September 12, 2018	500.00	502.89	6.8%  (1 month MCLR payable at monthly rests).	The Company shall make bullet repayment at the end of 24 (twenty four) months from the date of disbursement. Interest is payable on monthly interval

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding#(Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
6.	*****Canara Bank	Term Loan Agreement dated December 27, 2018	500.00	502.89	6.8% (1 year MCLR payable monthly).	The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval.
7.	\$Bank of India	Term Loan Agreement dated January 09, 2019	2,000.00	2011.38	6.7% (1 year MCLR payable monthly).	The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval
8.	\$\$\$India Infrastructure Finance Company Limited	Memorandum of Agreement dated September 10, 2018	800.00	802.56	6.5% (firmed up rate) payable quarterly.	Bullet repayment after 3 years of the first disbursement.
9.	#HDFC Bank	Loan Agreement dated October 04, 2018	750.00	754.41	6.95% (6 month MCLR payable monthly).	Bullet repayment after 5 years of the first disbursement.
10.	##United Bank of India	United Bank of India dated December 21, 2018	995.00	1000.65	6.7% (6 month MCLR payable monthly).	Bullet repayment after 5 years of the first disbursement.
11.	National Small Savings Fund	Sanction Letter dated December 04, 2018	7,500.00	7508.33	8.11% (Fixed Rate of 8.11% payable half yearly)	Bullet repayment at the end of 10 years from the first disbursement.
12.	###Andhra Bank	Term Loan Agreement dated March 25, 2020	800	800.00	6.75% (1 month MCLR payable monthly)	Repayment in 8 (eight) equal quarterly installments starting from April 15, 2020 and ending on January 15, 2025.



S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding#(Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
13.	####Bank of Baroda	Agreement for Secured Term Loan dated June 23, 2020	3000	3000.61	7.4% (Interest at the rate of 6 month MCLR)	8 (eight) equal quarterly installments at the end of the tenor from the date of disbursement.
14.	#####Bank of India	Term Loan Agreement dated September 8, 2020	1000	1000.18	6.7% (Interest at the rate of overnight MCLR)	4 (four) equal annual installments with 2 (two) years moratorium period.
15.	!Bank of Maharashtra	Agreement for Term Loan dated June 26, 2020	500	500	6.9% (Interest at the rate of 1 month MCLR)	2 (two) equal annual installments at the end of 3rd and 5th year from disbursement.
16.	!!Canara Bank	Agreement for Term Loan dated March 19, 2020	500	500.84	6.8% (Interest at the rate of 1 month MCLR)	One year moratorium period followed by 10 (ten) equal half yearly installments
17.	!!!Canara Bank	Agreement for Term Loan dated September 21, 2020	2000	2003.73	6.8% (Interest at the rate of 1 month MCLR)	One year moratorium period followed by 20 (twenty) equal quarterly installments
18.	!!!!HDFC Bank	Loan Agreement dated May 27, 2020	1000	1000.19	6.8% (Interest at the rate of RBI's Repo Rate plus spread of 2.8%)	Bullet repayment at the end of 18 months from the first disbursement
19.	!!!!!!HDFC Bank	Loan Agreement dated June 24, 2020	1000	1000.18	6.62% (Interest at the rate of RBI's Repo Rate plus spread of 2.62%)	Bullet repayment at the end of 18 months from the first disbursement

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding#(Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
20.	+IIFCL	Memorandum of Agreement dated March 31, 2020	1429	1429	Fixed interest rate of 7.13%	Bullet repayment at the end of 2 years from the first disbursement
21.	++IIFCL	Memorandum of Agreement dated March 23, 2020	271	271	Fixed interest rate of 6.82%	Bullet repayment at the end of 1 year from the first disbursement
22.	+++Indian Overseas Bank	Rupee Term Loan Agreement dated March 13, 2020	400	400	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 3 years from the first disbursement
23.	++++Oriental Bank of Commerce	Agreement for Term Loan dated March 13, 2020	1000	1000	6.7% (Interest at the rate of 1 (one) month MCLR)	3 (three) equal yearly instalments after a moratorium of 2 years from the date of first disbursement.
24.	@State Bank of India	Rupee Term Loan Agreement dated December 11, 2019	3000	3017.07	6.7% (Interest at the rate of 3 (three) months MCLR and 0.2% spread)	Bullet repayment at the end of 60 months from the date of first disbursement.
25.	@@Syndicate Bank	General Agreement dated March 19, 2020	1750	1750	6.8% (Interest at the rate of 1 (one) month MCLR)	8 (eight) equal quarterly installments after moratorium of 2 years from the date of first disbursement.
26.	@@@UCO Bank	Agreement relating to Term Loan dated April 24, 2020	200	200.04	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 36 (thirty six) months from the date of first disbursement.
27.	^Union Bank of India	General Term Loan Agreement dated March 19, 2020	2500	2500	6.75% (Interest at the rate of 1 (one) month MCLR)	4 (four) equal yearly instalment after 1 year moratorium from the date of first disbursement

S No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding#(Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
28.	^^HDFC Bank	Loan Agreement dated August 28, 2020	2000	2000.34	6.2% (Interest at the rate of RBI's Repo Rate plus spread of 2.62%)	Bullet repayment at the end of 21 months from the first disbursement
29.	+++Indian Overseas Bank	Rupee Term Loan Agreement dated January 27, 2020	400	400	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 3 years from the first disbursement
30.	@@@UCO Bank	Agreement relating to Term Loan dated March 19, 2020	500	500.09	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 36 months from the first disbursement
<b>Total</b>			<b>45,895</b>	<b>45,991.19</b>		

#As per IND AS (includes interest accrued but not due)

**Provisions pertaining to prepayment and penalty for the aforementioned unsecured term loans:**

\*Penalty: On Company committing default in making payment of any instalment on due date, a default rate of interest will be charged by the bank at the rate which shall be determined by the bank at their discretion and will be charged on the outstanding amount.

\*Prepayment: permitted after completion of 4 (four) months from the date of disbursement. If our Company makes any prepayment before 4 (four) months prepayment penalty of 1% (one percent) shall be applicable.

\*\*Prepayment: Allowed without penal interest with 30 (thirty) days prior notice. Minimum lock-in period of 6 (six) months.

\*\*Penal Interest: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment and/or interest to the date on which installment and/or interest is actually paid.

\*\*\*Prepayment: Allowed without penal interest.

\*\*\*Penal Interest: Waived.

\*\*\*\* Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment. Penalty will also be charged for non- submission of review/ renewal data at least 1 month prior to the due date.

\*\*\*\*\* Prepayment: Waived.

\*\*\*\*\*Penalty: In the event of default in payment of any installment and/or monthly interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment.

\$Prepayment: Company cannot prepay within 6 months from the date of disbursement or before June 30, 2019 whichever is later, after giving a 2 days' prior notice. Non- compliance of this clause will entitle the bank to charge penal interest at 1% on the amount prepaid.

\$Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a.. on the outstanding amount for the period from the due date of installment.

\$\$Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

\$\$Prepayment: No prepayment penalty is leviable if our Company prepays after 3 months from the date of disbursement. If prepaid within 3 months, penalty will be levied at 2%p.a.. as per bank guidelines.

\$\$\$ Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

\$\$\$Prepayment: Prepayment can be made anytime without any penalty.

\$\$\$\$ Prepayment: Prepayment penalty @2% p.a. of the outstanding balance of the outstanding amount. Such penalty is waived in case the pre-payment is made within 30 days of the communication of the reset rate by bank.

\$\$\$\$Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a. on the outstanding amount for the period from the due date of installment.

#Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a. on the outstanding amount for the period from the due date of installment.

#Prepayment: Allowed after June,30 2018 with a 2 day prior notice with no prepayment charges.

##Prepayment: No charges if prepaid after 15 days prior notice to bank.

##Penalty: It will be levied as per bank's existing lending policy/ circular for default in submission of balance sheet and account statements within 6 months from the date of the balance sheet, statements and returns and audited balance sheet within stipulated time as well as for non- compliance of the terms of the sanction letter.

###Prepayment: Prepayment can be made anytime without any penalty.

### Penalty: Any default by the Borrower in payment for dues would attract additional/penal interest as per the extant policy of the bank.

#### Prepayment: Prepayment penalty waived subject to company providing 30 days pre-payment notice. Minimum lock-in period is 6 months from the first date of disbursement.

#### Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

#####Prepayment: The Company is not allowed to prepay the term loan within 6 (six) months from the date of availment or January 31, 2021, whichever is later and thereafter can prepay full or in parts with a notice of 2 (two) days to the bank without payment of any prepayment penalty else prepayment charges of 1%+GST of the amount prepaid shall be levied.

##### Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay penal interest at 2% p.a.

!Prepayment: Prepayment can be made anytime without any penalty..

!Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

!! Prepayment: Prepayment can be made anytime without any penalty

!! Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

!!! Prepayment: Prepayment can be made anytime without any penalty

!!! Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

!!!! Prepayment: Prepayment can be made anytime without any penalty with 2 days prior notice

!!!! Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

+Prepayment: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

+Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

++Prepayment: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

++Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

+++Prepayment: The Borrower shall have the option to prepay the loan without any cost subject to prior notice of 7 (seven) days.

+++Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

++++Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

++++Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

@Prepayment: If prepayment is done within 90 (ninety) days from the date of disbursement, then prepayment penalty of 2% shall be applicable.

@Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 1%.

@@ Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

@@Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest at applicable rates circulated from time to time.

@@@ Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

@@@Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 2%.

^Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time subject a prior notice of 7 (seven) days.

^Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest at such rate as the Bank in its discretion determines.

^^Prepayment: Prepayment can be made anytime without any penalty with 2 days prior notice

^^Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

### G. Short Term Loans

As on December 31, 2020, no short term loans are outstanding on the books of accounts of the Company.

### H. Commercial Papers

Set forth below are brief details of commercial papers issued by our Company and the amounts outstanding thereon as of December 31, 2020:

S No.	Details of series	Date of Issue	Maturity date	Face Value (Rupees in Crore)	Number of CPs issued	Amount outstanding# (Rupees in)	Discount per CP (In Rupees)
1.	Series-115	August 6, 2020	July 30, 2021	3,120.00	62,400	3099.42	19,012

#As per IND AS (includes interest accrued but not due)

### I. Foreign currency borrowings of the Company:

Set forth below is a brief summary of the term loans taken by our Company from various international financial institutions in foreign currency as on December 31, 2020:

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
1.	**** State Bank Of India, Hong Kong Branch (SLN-23)	USD 250,000,000	1831.20	LIBOR + margin at 0.65% p.a, payable at last day of each Interest Period, currently	Repayable in full, after five years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount

				at 0.92288% p.a		at an additional rate of 2% p.a, for the period of default
2.	****  State Bank of India, Hong Kong Branch (SLN-24)	USD 450,000,000	2197.53	LIBOR + margin at  0.75% p.a., payable at last day of each Interest Period^^,  currently at 1.02350%	Repayable in three equal instalments. <i>1<sup>st</sup></i> <i>instalment:</i> due on  the date sixty six months from the date on which the loan is made  <i>2<sup>nd</sup></i> <i>instalment:</i> due on the date seventy two months from the date on which the loan is made <i>3<sup>rd</sup></i> <i>instalment:</i> due on the date seventy eight months from the date on which the loan is made	On failure to pay  interest payable on due date, interest shall accrue on the  unpaid amount at an additional rate of 2% p.a, for the period of default
3.	*Kreditanstalt Fur  Wiederaufbau, Frankfurt am Main (“ <b>KfW</b> ”)	DM  46,500,000  <i>Portion I : DM</i> 23,250,000  (This facility has been converted to Euro)	48.80	<i>Portion I:</i> 12% p.a  or lending rate of our Company applicable for the disbursement by our Company  minus 3%, whichever is lower. However, minimum applicable interest rate is 0.75%.	<i>Portion I:</i> payable in 60  instalments payable semi- annually from December 30, 2005	For overdue interest payments, shall pay damages in a lump sum of 3% above the discount rate of the Duetsche Bundesbank effective at the due date

				Current rate at 0.75% p.a		
4.	***Credit National  (on behalf of the Government  of The Republic of France)	Credit : FRF  167,400,000  (This facility has been converted to Euro)	38.49	2%	Each portion of this facility is repayable in 46 equal and successive half-yearly instalments, the first of which is payable 126 months from the date of the calendar half-year during which such disbursement has been made	Any sum unpaid on the due date shall automatically carry interest accruing from the maturity date of the debt until the date of the actual payment at day to day Paris Interbank Money Market rate plus 1.5%
5.	**Asian Development Bank (“ADB”)	USD  150,000,000	66.66	Interest will be calculated at floating rate, which is the sum of Reference Rate and the Fixed Spread ie the Sum of LIBOR and the Fixed Spread, currently at 0.85450 % p.a	Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first and last instalment with respect to such disbursement payable on the eleventh and fortieth interest payment date respectively with respect to such disbursement.  Each instalment shall be 1/30 <sup>th</sup> of the	No Penalty is payable by our Company in case interest due on the loan is not paid. ADB can withdraw from loan account and pay to itself, any amount due and not paid by our Company



					<p>disbursed amount (except the last which shall be equal to the balance outstanding amount)</p> <p>Entire borrowing is due and 6.payable by October 15, 2028.</p> <p><i>Interest payment Date:</i> It is the date immediately after the disbursement. on which amortization schedule for each disbursed amount is established</p>	
6.	<p>****</p> <p>State Bank Of India, Hong Kong Branch (SLN-21)</p>	<p>USD 300,000,000</p>	2192.69	<p>LIBOR + margin at 0.70% p.a, payable at last day of each Interest Period^^, currently at 0.94475 % p.a</p>	<p>Repayable in full, after five years from the utilisation date</p>	<p>On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default</p>
7.	<p>****</p> <p>State Bank Of India, Hong Kong Branch (SLN-22)</p>	<p>USD 250,000,000</p>	1832.78	<p>LIBOR + margin at 0.70% p.a, payable at last day of each Interest Period^^, currently at 1.00725% p.a</p>	<p>Repayable in full, after five years from the utilisation date</p>	<p>On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default</p>

8.	***** Bank of Baroda, New York (SLN-26)	USD 250,000,000	1832.00	LIBOR + margin at 0.90% p.a, payable at last day of each Interest Period^^, currently at 1.17350% p.a	Repayable in full, after five years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
9.	***** Mizuho Bank Ltd., Singapore (SLN-27)	JPY 16,410,750,000	1165.74	LIBOR + margin at 0.62% p.a, payable at last day of each Interest Period^^, currently at 0.62% p.a	Repayable in full, after five years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
10.	***** State Bank Of India, Hong Kong Branch (SLN-18)	JPY 43,668,000,000	2064.32	LIBOR + margin at 0.63% p.a, payable at last day of each Interest Period^^, currently at 0.63% p.a	Repayable in three equal instalments.  1st instalment: due on the date sixty months from the date on which the loan is made  2nd instalment: due on the date seventy two months from the date on which the loan is made  3rd instalment: due on the date eighty four months	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default

					from the date on which the loan is made	
11.	***** State Bank Of India, Hong Kong Branch (SLN-28)	USD 250,000,000  JPY 5,369,250,000	1826.48  380.37	<b>USD LOAN</b>  LIBOR + margin at 1.1% p.a, payable at last day of each Interest Period^^, currently at 1.36663% p.a  <b>JPY LOAN</b> LIBOR + margin at 0.75% p.a, payable at last day of each Interest Period^^.	Repayable in full, after three years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
12.	##State Bank Of India, Hong Kong Branch (SLN-29)	USD 250,000,000	1826.90	LIBOR + margin at 0.75% p.a, payable at last day of each Interest Period^^, currently at 1.01000% p.a.	Repayable in full, after five years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
13.	###EXIM Bank (SLN-30- Tranche I)	USD 100,000,000	733.37	LIBOR + margin at 1.50% p.a, payable at last day of each Interest Period^^.currently at 1.74580% p.a.	Repayable in full, after five years from the date of first disbursement.	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
14.	####State Bank of India, Hong Kong Branch and	State Bank of India, Hong Kong Branch –	1831.38	LIBOR + margin at 1.55% p.a, payable at last day of each	Repayable in full, after five	On failure to pay interest payable on due date,

	Punjab National Bank, DIFC Dubai Branch (SLN 30 – Tranche II)	USD 150,000,000 Punjab National Bank, DIFC Dubai Branch – USD 100,000,000		Interest Period^^ currently at 1.74388 %p.a.	years from the utilisation date	interest shall accrue on the unpaid amount at an additional rate of 2% p.a. for the period of default
15.	####DBS Bank (SLN-30 – Tranche II)	USD 50,000,000	366.32	LIBOR + margin at 0.92% p.a, payable at last day of each Interest Period^^.currently at 1.74388% p.a.	Repayable in full, after five years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a. for the period of default
<b>Total</b>	<b>USD 2,550,000,000</b> <b>DM 69,750,000</b> <b>JPY 65,448,000,000</b> <b>FRF 167,400,000</b>		<b>20,235.02</b>			

#As per IND AS (includes interest accrued but not due)

### Prepayment Events

#### \*Prepayment Event (KfW):

Pursuant to a 30 days' prior notice, our Company may prematurely repay Portion II only in the amount of one or more repayments instalments together with the payment of a compensation for premature repayment to be determined by KfW and computed on the basis of the capital market situation prevailing at the time and taking into account the lost interest earnings and the reinvestment possibilities for the original remaining term of the loan. Following repayment of Portion II, our Company may at any time prematurely repay Portion I in full or in part.

#### \*\*Prepayment Event (ADB):

Our Company can prepay the entire principal loan amount or principal amount of any one or more maturities of the loan, provided all amounts due have been paid by giving at least 45 days written notice to ADB. In case of partial prepayment, since separate amortization of specified Disbursed Amounts is allowed, such prepayment shall be applied in the inverse order of the Disbursed Amount, with the Disbursed Amount withdrawn last being repaid first. In case of full prepayment, the latest maturity will be repaid first. No penalty payable, but Prepayment premium will be payable, as determined by ADB.

#### \*\*\*Prepayment Event (Credit National):

Upon giving no less than 3 months' written notice to the Lead Bank, our Company may prepay the credit, partially or wholly if it pays to the lenders the cost amounting to the difference, if any, between: the amount of interest which would have accrued in relation to the amounts prepaid from the date of the prepayment to the date initially set for prepayment, and the proceeds from the placing on the PARIS Interbank Money Market by the lenders of such amounts prepaid from the date of the prepayment to the date initially set for prepayment.

\*\*\*\*Prepayment (SLN-18,SLN-21, SLN-22, SLN-23, SLN-24):

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) and in an integral multiple of ten million US Dollars (US\$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

\*\*\*\*\*Prepayment (SLN-26):

The Borrower may, if it gives the Agent not less than thirty (10) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) and in an integral multiple of ten million US Dollars (US\$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

The Loan may only be prepaid after the last day of the Availability Period and if all other sums then due and payable under the Finance Documents shall have been paid.

\*\*\*\*\*Prepayment (SLN-27):

Our Company may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of Japanese Yen Equivalent of fifty million US Dollars (US\$50,000,000) and in an integral multiple of Japanese Yen Equivalent of ten million US Dollars (US\$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

\*\*\*\*\*Prepayment (SLN 28):

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of that Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) in the case of a Facility A Loan or the Japanese Yen Equivalent of fifty million US Dollars (US\$50,000,000) in the case of a Facility B Loan and in an integral multiple of ten million US Dollars (US\$10,000,000) in the case of a Facility A Loan). Any prepayment shall be applied rateably among the participations of all Lenders and pro rata with respect to Facility A and Facility B and shall not be subject to any prepayment fee or penalty.

A Loan may only be prepaid after the last day of the Availability Period and if all other sums then due and payable under the Finance Documents shall have been paid.

##Prepayment (SLN 29)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of twenty million US Dollars (US\$20,000,000) and in an integral multiple of twenty million US Dollars (US\$20,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

###Prepayment (SLN 30- Tranche I)

The Company shall be entitled to prepay the amounts under this Foreign Currency Term Loan Agreement during the subsistence of this Foreign Currency Term Loan Agreement, in whole or parts, subject to payment of prepayment premium of 1% per annum on the principal amount of the loan repaid, after giving 15 days' prior notice to EXIM Bank.

#### Prepayment (SLN 30 – Tranche II)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of that Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) in the case

of a Facility A Loan or the Singapore Dollar Equivalent of fifty million US Dollars (US\$50,000,000) in the case of a Facility B Loan and in an integral multiple of ten million US Dollars (US\$10,000,000) in the case of a Facility A Loan). Any prepayment under this Clause 7.3 shall be applied rateably among the participations of all Lenders and pro rata with respect to Facility A and Facility B and shall not be subject to any prepayment fee or penalty.

#### ^^Interest Period

Interest Period shall be six (6) months or any other period as mutually agreed between our Company and the Agent (acting on the instructions of all the Lenders). An Interest Period for a Loan shall not extend beyond the Final Repayment Date.

#### Events of Default under our Loan Agreements

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

- (i) If our Company defaults in the payment of any instalments.
- (ii) Breach of any terms and condition in furtherance of the facility grant.
- (iii) Our Company enters into arrangement or composition with its creditors or commits an act of insolvency.
- (iv) Occurrence of event that would prejudicially affect the capacity of our Company to repay the loan.
- (v) Winding up resolution passed by our Company.
- (vi) Our Company ceasing or threatening to cease business or gives notice of intention to do so.
- (vii) Execution or distress being enforced or levied against the whole or any part of the Company's property.
- (viii) Our Company going into liquidation (except for the purpose of amalgamation or reconstruction).
- (ix) Appointment of receiver in respect of whole or any part of the property of the Company.
- (x) The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility.
- (xi) The security ceasing to exist.
- (xii) Any representations or statements or particulars made in our Company's proposal or application are found to be incorrect in any material respect when made or deemed to be made. In certain cases, we are required to comply with repeating representations that require the Government to maintain majority shareholding and exercise control over the affairs and composition of the board of the Company.
- (xiii) Any litigation, arbitration, investigation or administrative proceedings occurs or is pending or threatened against our Company which might have a material adverse effect.
- (xiv) Occurrence of any event or series of events which, in the opinion of the lenders, has or is reasonably likely to have a material adverse effect.
- (xv) Our Company commits any breach or default in performance or observance of a loan.
- (xvi) The loan is utilized for any purpose other than the purpose for which it is applied by the Company and sanctioned by the lender.
- (xvii) Any attachment, distress, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if our Company suspends payments to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filing of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted.
- (xviii) Any violation of any of the undertakings or violation of any of the terms and conditions of the sanction of the facilities or violation of the terms and conditions of any of the loan documents or any other subsequent communication in this regard, shall constitute default.
- (xix) The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility.
- (xx) Company goes into corporate insolvency resolution process.
- (xxi) Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Borrower having an aggregate value of more than the stipulated amount and is not discharged within the stipulated Business Days as per the loan agreement;
- (xxii) Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document;
- (xxiii) Any Authorisation or other requirement, with or from any person required for the borrowing of the Loan or to enable the Borrower to perform its obligations under, is revoked, withdrawn or withheld or shall otherwise fail to remain in full force and effect for whatever reason.

#### Rescheduling:

There are no provisions pertaining to rescheduling of loans in any of the loan agreements.

#### J. Foreign Currency Notes

Set forth below is a brief summary of foreign currency notes issued by our Company and the amounts outstanding therein as of December 31, 2020:

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a.)	Repayment schedule
1.	3.75 USD green bonds 2027	Pricing supplement dated November 28, 2017	USD 400,000,000	2930.19	3.75% p.a. payable semi-annually in arrears on each interest payment date. Interest payment date is June 6 and December 6 in each year.	10 years December 6, 2027
2.	5.25 USD 300MN MTN BONDS 2028	Pricing supplement dated August 2, 2018	USD 300,000,000	2239.28	5.25% p.a. payable semi-annually in arrears on each interest payment date. Interest payment date is February 10 and August 10 in each year.	10 years August 10, 2028
3.	6.15 GMTN BONDS 2028	Pricing supplement dated November 28, 2018	USD 500,000,000	3669.18	6.150% p.a. payable in arrears on each interest payment date. Interest payment date is June 6 and December 6.	10 years December 6, 2028

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a.)	Repayment schedule
4.	3.75 USD BONDS 2024	Pricing supplement dated June 11, 2019	USD 400,000,000	2926.33	3.75 % p.a. payable in arrears on each interest payment date. Interest payment date is June 18 and December 18 in each year up the maturity date.	5 years, June 18, 2024
5.	4.50 USD BONDS 2029	Pricing supplement dated June 11, 2019	USD 600,000,000	4390.75	4.50% p.a. payable in arrears on each interest payment date. Interest payment date is June 18 and December 18 in each year up to and including the maturity date.	10 years, June 18, 2029
6.	3.25 USD BONDS 2024	Pricing supplement dated September 5, 2019	USD 300,000,000	2213.58	3.25% p.a.	5 years, September 16, 2024
7.	3.90 USD BONDS 2029	Pricing supplement dated September 5, 2019	USD 450,000,000	3326.97	3.90% p.a.	10 years, September 16, 2029
8.	3.95 USD BONDS 2030	Pricing supplement dated January 15, 2020	USD 750,000,000	5579.49	3.95% p.a.	10 years, April 23, 2030
<b>Total</b>			<b>3,700,000,000</b>	<b>27,275.77</b>		

#As per IND AS (includes interest accrued but not due)

**K. Unsecured Bonds**



Set forth below is a brief summary of the unsecured bonds/ debentures issued by our Company and the amounts outstanding thereon as of December 31, 2020:

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
1.	Zero Coupon Bond (2022) Series 19	629.99	642.10	December 30, 2002	Coupon Rate: Zero coupon bonds having face value of ₹ 0.10 million each, aggregating to ₹ 7500 million, allotted at a discounted aggregate amount of ₹ 1,579.58 million  Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
2.	Debenture Series 28	600.00	631.28	May 31, 2006	Coupon Rate: 8.85% p.a..  Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	
3.	Debenture Series 57 B and C	2,599.50	896.51	August 7, 2009	Coupon Rate: 8.60% p.a..  Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15 <sup>th</sup> year respectively from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
4.	Debenture Series 61	1,053.00	352.39	December 15, 2009	Coupon Rate: 8.50% p.a.  Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
5	Debenture Series 62 B	1,172.60	1,271.84	January 15, 2010	Coupon Rate: 8.80% p.a.  Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment.	
6.	Debenture Series 63	184.00	197.10	March 15, 2010	Coupon Rate: 8.90% p.a.  Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
7.	Debenture Series 64	492.00	525.42	March 30, 2010	Coupon Rate: 8.95% p.a. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
8.	Debenture Series 65	4,012.50	1,411.46	May 14, 2010	Coupon Rate: 8.70% p.a. Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment	
9.	Debenture Series 66 -B	1,532.00	1,605.45	June 15, 2010	Coupon Rate: 8.75% p.a. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
10.	Debenture Series 66 -C	633.00	663.70	June 15, 2010	Coupon Rate: 8.85% p.a. Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment.	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
11.	Debenture Series 71	385.40	387.02	December 15, 2010	Coupon Rate: 9.05% p.a.  Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of 10th, 15th and 20th year respectively from the deemed date of allotment	
12.	Debenture Series 72-B	1,219.00	1,324.40	January 14, 2011	Coupon Rate: 8.99% p.a..  Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
13.	Debenture Series 73	1,000.00	1,065.64	April 15, 2011	Coupon Rate: 9.18% p.a..  Maturity and Redemption: At par at the end of 10 years from the deemed date of allotment	
14.	Debenture Series 74	1,693.20	1,785.89	June 09, 2011	Coupon Rate: 9.70% p.a..  Maturity and Redemption: At the end of 10 years from the date of allotment.	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
15.	Debenture Series 75-C	2,084.70	2,186.79	June 29, 2011	Coupon Rate: 9.61% p.a. Maturity and Redemption: At the end of 10 years from the date of allotment.	
16.	Debenture Series 76-A	2,589.40	2,691.00	August 1, 2011	Coupon Rate: 9.36% p.a. Maturity and Redemption: At the end of 10 years from the date of allotment.	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
17.	Debenture Series 76-B	1,105.00	1,148.82	August 1, 2011	Coupon Rate: 9.46% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment	
18.	Debenture Series 77-B	2,568.00	2,649.11	September 1, 2011	Coupon Rate: 9.45% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment.	
19.	Debenture Series 85-D	736.00	784.73	March 06, 2012	Coupon Rate: 9.26% p.a.. Maturity and Redemption: At the end of 11 years 40 days from the date of allotment.	
20.	Debenture Series 88-C	184.70	197.22	March 28, 2012	Coupon Rate: 9.48% p.a.. Maturity and Redemption: At the end of 10 years and 18 days from the deemed date of allotment.	
21.	Debenture Series 100-B	1,310.00	1,406.13	March 04, 2013	Coupon Rate: 8.84% p.a.. Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
22.	Debenture Series 101-B	1,370.00	1,469.99	March 11, 2013	Coupon Rate: 9.00% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
23.	Debenture Series 102-A(II)	403.00	431.40	March 18, 2013	Coupon Rate: 8.90% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
24.	Debenture Series 102-A(III)	403.00	431.40	March 18, 2013	Coupon Rate: 8.90% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
25.	Debenture Series 103	2,807.00	3,000.88	March 25, 2013	Coupon Rate: 8.94% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	
26.	Debenture Series 105 (subordinated Tier II bonds)	800.00	836.08	June 14, 2013	Coupon Rate: 8.19% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
27.	Debenture Series 111 (subordinated Tier II bonds)	1,000.00	1,093.34	January 13, 2014	Coupon Rate: 9.65% p.a.  Maturity and Redemption At the end of 10 years from the deemed date of allotment	



S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
28.	Debenture Series 114  (subordinated Tier II bonds)	2,000.00	2,166.97	February 21, 2014	Coupon Rate: 9.70% p.a..  Maturity and Redemption At the end of 10 years from the deemed date of allotment	
29.	Debenture Series 115 -III	700.00	731.41	July 07, 2014	Coupon Rate: 9.20% p.a..  Maturity and Redemption At the end of 7 years from the deemed date of allotment	
30.	Debenture Series 117- B	855.00	884.63	August 19, 2014	Coupon Rate: 9.37% p.a..  Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	
31.	Debenture Series 118-B (II)	460.00	475.03	August 27, 2014	Coupon Rate: 9.39% p.a..  Maturity and Redemption At the end of 10 years from the deemed date of allotment	
32.	Debenture Series 118-B (III)	460.00	475.03	August 27, 2014	Coupon Rate: 9.39% p.a..  Maturity and Redemption At the end of 15 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
33.	Debenture Series 120-A	961.00	981.10	October 8, 2014	Coupon Rate: 8.98% p.a. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with annual interest payment.	
34.	Debenture Series 120-B	950.00	969.87	October 8, 2014	Coupon Rate: 8.98% p.a. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with first interest on annual compounding basis after 2 years and thereafter annually	
35.	Debenture Series 123-C	200.00	201.47	November 28, 2014	Coupon Rate: 8.66% p.a. Maturity and Redemption At the end of 7 years from the deemed date of allotment	
36.	Debenture Series 124-B	1,200.00	1206.47	December 9, 2014	Coupon Rate: 8.55% p.a. Maturity and Redemption At the end of 7 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
37.	Debenture Series 124-C	1,000.00	1,005.34	December 9, 2014	Coupon Rate: 8.48% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
38.	Debenture Series 125	2,826.00	2,828.01	December 29, 2014	Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
39.	Debenture Series 126	5,000.00	5,426.59	January 5, 2015	Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
40.	Debenture Series 128	1,600.00	1,706.40	March 10, 2015	Coupon Rate: 8.20% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment.	
41.	Debenture Series 130-C	925.00	986.24	March 19, 2015	Coupon Rate: 8.39% p.a. Maturity and Redemption At the end of 10 years 1 months from the deemed date of allotment	
42.	Debenture Series 131-C	5,000.00	5,322.58	March 27, 2015	Coupon Rate: 8.41% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
43.	Debenture Series 141-B	1,000.00	1,024.16	Sep 18, 2015	Coupon Rate: 8.40% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
44.	Debenture Series 146	300.00	316.47	April 27, 2016	Coupon Rate: 8.05% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
45.	Debenture Series 147	1,000.00	1,053.68	May 2, 2016	Coupon Rate: 8.03% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
46.	Debenture Series 150-A	2,660.00	2,734.88	August 16, 2016	Coupon Rate: 7.50% p.a. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
47.	Debenture Series 150-B	1,675.00	1,722.97	August 16, 2016	Coupon Rate: 7.63% p.a. Maturity and Redemption: At the end of 10 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
48.	Debenture Series 151-A	2,260.00	2,309.49	September 16, 2016	Coupon Rate: 7.47% p.a. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
49.	Debenture Series 151-B	210.00	214.65	September 16, 2016	Coupon Rate: 7.56% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
50.	Debenture Series 152	4,000.00	4,078.60	September 26, 2016	Coupon Rate: 7.55% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
51.	Debenture Series 153	1,830.00	1,864.50	September 30, 2016	Coupon Rate: 7.40% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
52.	Debenture Series 154	1,101.00	1,103.19	December 22, 2016	Coupon Rate: 7.27% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
53.	Debenture Series 155	2,635.00	2,823.43	January 05, 2017	Coupon Rate: 7.23% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
54.	Debenture Series 168A	1,950.00	2,028.95	June 12, 2017	Coupon Rate: 7.28% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	
55.	Debenture Series 168B	1,540.00	1,603.72	June 12, 2017	Coupon Rate: 7.44% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
56.	Debenture Series 169A	3,395.00	3,491.42	August 08, 2017	Coupon Rate: 7.10% p.a. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	
57.	Debenture Series 169B	1,500.00	1,543.80	August 08, 2017	Coupon Rate: 7.30% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
58.	Debenture Series 170A	800.00	806.44	November 22, 2017	Coupon Rate: 7.35% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
59.	Debenture Series 170B	2,001.00	2,017.78	November 22, 2017	Coupon Rate: 7.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
60.	Debenture Series 171	5,000.00	5,017.75	December 15, 2017	Coupon Rate: 7.62% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	
61.	Debenture Series 172	850.00	910.58	January 30, 2018	Coupon Rate: 7.74% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment with put option at the end of 3 year 11 month	
62.	Debenture Series 173A	505.00	539.56	February 12, 2018	Coupon Rate: 7.73% p.a. Maturity and Redemption At the end of 3 years 1 month from the deemed date of allotment	
63.	Debenture Series 173B	1,325.00	1,415.67	February 12, 2018	Coupon Rate: 7.73% p.a. Maturity and Redemption At the end of 3 years 1 month 24 days from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
64.	Debenture Series 175	600.00	637.20	March 15, 2018	Coupon Rate: 7.75% p.a. Maturity and Redemption At the end of 3 years 1 month from the deemed date of allotment	
65.	Debenture Series 176B	1,295.00	1,298.40	March 20, 2018	Coupon Rate: 7.99% p.a. Maturity and Redemption At the end of 4 years 9 month from the deemed date of allotment	
66.	Debenture Series 177	3,855.00	3,929.62	April 03, 2018	Coupon Rate: 7.85% p.a. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
67.	Debenture Series 178	3,000.00	3,061.06	October 10, 2018	Coupon Rate: 8.95% p.a. payable annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	
68.	Debenture Series 179A	1,007.40	1,017.69	November 19, 2018	Coupon Rate: 8.67% p.a. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	



S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
69.	Debenture Series 179B	528.40	533.78	November 19, 2018	Coupon Rate: 8.64% p.a. payable semi-annually  Maturity and Redemption At the end of 15 years from the deemed date of allotment	
70.	Debenture Series 180	2,654.00	2,853.23	February 22, 2019	Coupon Rate: 8.75% p.a. payable annually  Maturity and Redemption At the end of 15 years from the deemed date of allotment	
71.	Debenture Series 181	2,155.00	2,302.67	March 11, 2019	Coupon Rate: 8.45% p.a.  Maturity and Redemption At the end of 03 years & 05 months from the deemed date of allotment	
72.	Debenture Series 183	3,751.20	3,993.32	March 19, 2019	Coupon Rate: 8.18% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
73.	Debenture Series 184-A (subordinated Tier II bonds)	2,000.00	2,142.93	March 25, 2019	Coupon Rate: 9.25% p.a. payable annually  Maturity and Redemption At the end of 05 years & 06 months from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
74.	Debenture Series 184-B(subordinated Tier II bonds)	2,411.50	2,581.04	March 25, 2019	Coupon Rate: 9.10% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	
75.	Debenture Series 185(subordinated Tier II bonds)	1,000.00	1,068.64	March 28, 2019	Coupon Rate: 8.98% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	
76.	Debenture Series 186	2,578.90	2,731.73	April 30, 2019	Coupon Rate: 8.79% p.a. payable annually  Maturity and Redemption:At the end of 15 years from the deemed date of allotment	
77.	Debenture Series 187-A	1,605.00	1,683.97	May 27, 2019	Coupon Rate: 8.20% p.a. payable annually  Maturity and Redemption:At the end of 03 years from the deemed date of allotment	
78.	Debenture Series 187-B	1,982.10	2,087.35	May 27,2019	Coupon Rate: 8.85% p.a. payable annually  Maturity and Redemption:At the end of 10 yearsfrom the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
79.	Debenture Series 188	691.10	723.46	June 04,2019	Coupon Rate: 8.10% p.a. payable annually  Maturity and Redemption:At the end of 05 years from the deemed date of allotment	
80.	Debenture Series 189	4035	4166.54	August 8, 2019	Coupon Rate: 8.15% p.a. payable annually  Maturity and Redemption:At the end of 15 years from the deemed date of allotment	
81.	Debenture Series 190	4016	4122.20	September 6, 2019	Coupon Rate: 8.25% p.a. payable annually  Maturity and Redemption:At the end of 15 years from the deemed date of allotment	
82.	Debenture Series 191	3735	3793.67	October 15, 2019	Coupon Rate: 7.35% p.a. payable annually  Maturity and Redemption:At the end of 03 years from the deemed date of allotment	
83.	Debenture Series 192	3000	3026.22	November 19, 2019	Coupon Rate: 7.42% p.a. payable annually  Maturity and Redemption:At the end of 05 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
84.	Debenture Series 193	4710.50	4711.52	December 31, 2019	Coupon Rate: 7.93% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
85.	Debenture Series 194	1400	1496.94	January 7, 2020	Coupon Rate: 7.04% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
86.	Debenture Series 195	1100	1183.39	January 14, 2020	Coupon Rate: 7.86% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
87.	Debenture Series 196	2500	2657.41	February 25, 2020	Coupon Rate: 7.41% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
88.	Debenture Series 197	5000	5309.60	March 2, 2020	Coupon Rate: 7.41% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
89.	Debenture Series 198	3160	3314.70	April 20, 2020	Coupon Rate: 6.98% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
90.	Debenture Series 199A	1970	2062.90	April 24, 2020	Coupon Rate: 6.83% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
91.	Debenture Series 199B	1320	1385.25	April 24, 2020	Coupon Rate: 7.16% p.a. payable annually  Maturity and Redemption: At the end of 05 years from the deemed date of allotment	
92.	Debenture Series 200	2920	3060.90	May 8, 2020	Coupon Rate: 7.40% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
93.	Debenture Series 201	3101.30	3252.04	May 15, 2020	Coupon Rate: 7.68% p.a. payable annually  Maturity and Redemption: At the end of 10 years and 2 months from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
94.	Debenture Series 202A	2145	2237.55	May 22, 2020	Coupon Rate: 6.75% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
95.	Debenture Series 202B	810	845.64	May 22, 2020	Coupon Rate: 7.17% p.a. payable annually  Maturity and Redemption: At the end of 05 years from the deemed date of allotment	
96.	Debenture Series 202C	1936	2024.86	May 22, 2020	Coupon Rate: 7.79% p.a. payable annually  Maturity and Redemption: At the end of 10 years 2 months from the deemed date of allotment	
97.	Debenture Series 203A	2206	2288.85	June 11, 2020	Coupon Rate: 6.72% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
98.	Debenture Series 203B	3318	3461.72	June 11, 2020	Coupon Rate: 7.75% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
99.	Debenture Series 196 R1	1500	1594.47	July 14, 2020	Coupon Rate: 7.41% p.a. payable annually  Maturity and Redemption: At the end of 9 years 7 months from the deemed date of allotment	
100.	Debenture Series 204A	900	922.34	July 28, 2020	Coupon Rate: 5.77% p.a. payable annually  Maturity and Redemption: At the end of 04 years 9 months from the deemed date of allotment	
101.	Debenture Series 204B	1300	1338.47	July 28, 2020	Coupon Rate: 6.88% p.a. payable annually  Maturity and Redemption: At the end of 10 years 9 months from the deemed date of allotment	
102.	Debenture Series 205A	1610.10	1654.88	August 10, 2020	Coupon Rate: 7.05% p.a. payable annually  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
103.	Debenture Series 205B	1605.70	1651.31	August 10, 2020	Coupon Rate: 7.20% p.a. payable annually  Maturity and Redemption: At the end of 15 years from the deemed date of allotment	

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
104.	Debenture Series 206	3000	3060.24	August 20, 2020	Coupon Rate: 5.47% p.a. payable annually  Maturity and Redemption: At the end of 03 years from the deemed date of allotment	
105.	Debenture Series 207	1097.40	1121.53	September 9, 2020	Coupon Rate: 7.04% p.a. payable annually  Maturity and Redemption: At the end of 10 years 3 months from the deemed date of allotment	
106.	Debenture Series 208	2806	2858.97	September 17, 2020	Coupon Rate: 6.50% p.a. payable annually  Maturity and Redemption: At the end of 05 years from the deemed date of allotment	
109.	Debenture Series 209	1711	1743.34	September 29, 2020	Coupon Rate: 7.34% p.a. payable annually  Maturity and Redemption: At the end of 15 years from the deemed date of allotment	
110.	Debenture Series 207 R1	2549.10	2605.15	November 11, 2020	Coupon Rate: 7.04% p.a. payable annually  Maturity and Redemption: At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA



S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
<b>Total</b>		<b>197,817.69</b>	<b>200,674.61</b>			

#As per IND AS (includes interest accrued but not due)

#### L. GoI Fully Serviced Bonds

Set forth below is a brief summary of the GoI Fully Serviced Bonds issued by our Company as on December 31, 2020^:

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding# (Rupees in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Credit Rating for the bonds listed below
1.	Debenture Series 156	200.00	200	January 11, 2017	Coupon Rate: 7.10% p.a. (payable semi-annually)  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	AAA by CRISIL, and CARE from ICRA
2.	Debenture Series 158	1,335.00	1,335	January 20, 2017	Coupon Rate: 7.18% p.a. (payable semi-annually)  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
3.	Bond Series 160	1,465.00	1,465	February 20, 2017	Coupon Rate: 7.60% p.a.  Maturity and Redemption: At the end of 10 years	
4.	Bond Series 164	2,000.00	2,000	March 22, 2017	Coupon Rate: 7.75% p.a.  Maturity and Redemption: At the end of 10 years from the deemed date of allotment	

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding# (Rupees in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Credit Rating for the bonds listed below
<b>Total</b>		<b>5000</b>	<b>5000</b>			

#As per IND AS (includes interest accrued but not due)

^ These bonds have been raised to meet GoI's requirement for the purpose of central sector schemes. The utilisation of funds raised through bonds is at the discretion of MoP and the funds is spent by PFC only for the purposes/ central sector schemes as decided by MoP. The outstanding value of these bonds are shown under "other financial liabilities", since maturity amount and the coupon payment throughout the tenure will be funded by GoI. The corresponding equivalent value is shown under "other assets" in the financial statements. Accordingly, outstanding value of these bonds are not included in the total borrowings.

#### M. List of Top 10 debenture holders of our Company as on December 31, 2020

Given below are details of the top 10 debenture holders of our Company as of December 31, 2020:

Sr. No.	Name	Total face value amount of debentures held in ₹ (in crore)
1.	Life Insurance Corporation of India	41893.20
2.	CBT-EPF-05-E-DM	26,197.54
3.	State Bank of India	8333.04
4.	HDFC Mutual Fund	7319.90
5.	NPS Trust- A/C Kotak Pension Fund- Tier I	6192.70
6.	Aditya Birla Sun Life trustee Private Limited- A/C Aditya Birla Sun Life Income Fund	6334.70
7.	ICICI Prudential Ultra Short Term Fund	4970.80
8.	Coal Mines Provident Fund Organisation	4862.90
9.	IDFC Low Duration Fund	4556.40
10.	Edelweiss Trusteeship Co. Ltd – Mutual Fund	3941.50
<b>Total</b>		<b>114,602.68</b>

#### N. Corporate Guarantee issued by our Company

The table set forth below provides the details in respect of corporate guarantee issued by our Company on behalf of following companies, as of December 31, 2020:

Entities	Amount (In Rupees Crore)	Counterparty
Sri Maheswar Hydel Power Corporation Limited ("SMHPCL")	466.43 crore	IDBI Trusteeship Limited (Debentures trustees of OFCD raised by SMHPCL)
<b>Total</b>	<b>466.43 crore</b>	

Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past five years: -

There has been no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past five years.

Details of any outstanding borrowing taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option, as on December 31, 2020: -

Our Company has not, since its incorporation, issued any debt securities (i) for consideration other than cash, (ii) at a premium or at a discount, except for foreign currency bonds under medium term notes programme through various tranches – 3.95% USD Medium Term Notes 2030, 3.90% USD Medium Term Notes 2029, 4.50% USD Medium Term Notes 2029, 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027, 3.25% USD Medium Term Notes 2024 and 3.75% USD Medium Term Notes 2024.

Details of Rest of the Borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on December 31, 2020: The Issuer has no other outstanding borrowings in form of hybrid debt like FCCB, Optionally Convertible Debentures as on December 31, 2020.

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## SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND-AS

The Reformatted Audited Financial Information under IGAAP included in this Shelf Prospectus have been prepared by the Company from the financial statements prepared in accordance with Indian GAAP, which differs from Indian Accounting Standards (“**IND-AS**”) in certain respects

The Ministry of Corporate Affairs (“**MCA**”) in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 Lakh or more as of March 31, 2016 shall comply with IND-AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, we are subject to this notification.

“Summary of Significant Differences among Indian GAAP and IND-AS”, does not present all differences between Indian GAAP and IND-AS which are relevant to the Company. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Shelf Prospectus. Furthermore, the Company has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IND-AS which may result from prospective changes in accounting standards. The Company has not considered matters of Indian GAAP presentation and disclosures, which also differ from IND-AS. In making an investment decision, investors must rely upon their own examination of the Issuer’s business, the terms of the offerings and the financial information included in this Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IND-AS and how those differences might affect the financial information included in this Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IND-AS on future financial information or that the application of IND-AS will not result in a materially adverse effect on the Issuer’s future financial information.

Topic	Indian GAAP	IND AS
Presentation of Financial Statements — Components of financial statements	The requirements for the presentation of financial statements are set out in Schedule III, Division I to the Companies Act, 2013 and the accounting standards notified thereunder are applicable to the preparation of financial statements of respective years. The components of financial statements are: (a) balance sheet; (b) statement of profit and loss; (c) cash flow statement; and explanatory notes and accounting policies.	The requirements for the presentation of financial statements, and the guidelines for their structure and content are set out in IND-AS 1. A complete set of financial statements under IND-AS comprises: (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income (presented as a single statement or by presenting the profit and loss section in a separate statement of profit or loss, immediately followed by a statement presenting comprehensive income beginning with profit or loss); (c) statement of cash flow; (d) statement of changes in equity; and (e) notes comprising a summary of significant accounting policies and explanatory notes. Further, Schedule III, Division II, to the Companies Act, 2013 sets out the requirements for the presentation of financial statements which are in conformity with IND-AS 1. Disclosure requirements specified in Schedule III are in addition to and not in substitution of the disclosure requirements specified in Ind AS.
Presentation of Financial Statements — Disclosure of Reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosure for the nature, amount and reason for reclassification.	The disclosure of reclassification of comparative amounts includes the nature, amount and reason for reclassification, if material.

<b>Topic</b>	<b>Indian GAAP</b>	<b>IND AS</b>
Presentation of Financial Statements — Balance sheet/statement of financial position.	All items of assets and liabilities are to be bifurcated between current and non-current portions and presented separately on the cover of the balance sheet. Schedule III of the Companies Act, 2013 sets out the minimum requirements for disclosure required in the balance sheet and statement of profit and loss account and notes.	An entity is required to present financial and non-financial assets and liabilities, as separate classifications on the face of the statement of financial position. Minimum line item requirements are set out in Division III to Schedule III to the Companies Act, 2013
Presentation of Financial Statements — Presentation of income statement	Schedule III to the Companies Act, 2013 only permits an analysis of expense by nature.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of the expense.
Presentation of Financial Statements — Statement of changes in equity	Statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to financial statements.	A statement of changes in equity is presented.
Presentation of Financial Statements — Critical Judgments	The disclosure of critical judgments made by the management is not specifically required.	The critical judgements made by the management in applying accounting policies are to be disclosed separately as part of accounting policies.
Presentation of Financial Statements — Disclosure of Capital	The information regarding management of capital is not required to be disclosed.	The disclosure of information about management of capital and compliance with externally imposed capital requirements, if any, is required.
Presentation of Financial Statements — Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	No concept of Extraordinary Items
Cash Flow Statement — Bank overdrafts	Bank overdrafts are considered to be financing activities.	Bank overdrafts are included in cash & cash equivalents if they form an integral part of an entity's cash management.
Cash Flow Statement — Cash flows from extraordinary items	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and are disclosed separately.	As presentation of items as extraordinary is not permitted in accordance with IAS 1, a cash flow statement does not reflect any items of cash flow as extraordinary.
Changes in Accounting Policies and Errors	Changes in accounting policies are not applied retrospectively. The cumulative impact arising from such change is made in the financial statements in the period of change. If the impact of the change is not ascertainable, this should be disclosed. Material prior year errors are included in determination of profit or loss in the period in which the error is discovered and are separately presented in the profit and loss, so that the impact on current profit or loss can be perceived.	Retrospective application of changes in accounting policies is made by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated. Material prior

Topic	Indian GAAP	IND AS
		year errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred , or if the error occurred before the earliest period presented, by restating the opening statement of financial position.
New accounting pronouncements	Not required to be disclosed	New accounting pronouncements that have been issued but which are not effective on the date of the statement of financial position are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed.
Income Taxes — Recognition of deferred tax assets and liabilities	Deferred taxes are recognised for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Deferred tax shall be recognised for all taxable temporary differences except to the extent they arise from initial recognition of: (a) goodwill; or (b) an asset or liability in a transaction which is not a business combination, and, at the time of the transaction, affects neither the accounting nor the tax profit
Income Taxes — Recognition of taxes on items recognised in other comprehensive income or directly in equity	No specific guidance in AS 22. However, an announcement made by the Institute of Chartered Accountants of India (the “ICAI”) requires any expense charged directly to reserves and/or securities premium accounts to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.
Income Taxes — Investments in subsidiaries, associates, and interests in joint ventures	No deferred tax is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation	Deferred tax liability for all taxable temporary differences are recognized except to the extent the parent, the investor, the venture or joint operator is able to control timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Income Taxes — Deferred tax on unrealised intra-group profits	Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax on unrealised intra-group profits is recognised at the buyer’s rate, in the consolidated financial statements.
Determining whether an arrangement contains a lease	There is no such requirement.	An arrangement that does not take the legal form of a lease, but the fulfilment of which is dependent on the use of identified assets and which conveys the right to control the use the assets, is accounted for as a lease in accordance with IND AS 116.
Operating Leases commitments	Operating lease commitments are not recognised.	Operating lease commitments and corresponding right of use assets are

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		recognised in the financial statements in all cases other than low value assets and short term leases.
Revenues — Definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them.	Income arising in the course of an entity's ordinary activities.
Revenues — Measurement	Revenue is recognised as the nominal amount of consideration receivable.	Transaction price is consideration which is expected from transferring goods & services excluding amounts collected for third parties.
Revenues — Interest Provision for Loans	Interest is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable. Prudential Norms issued by Reserve Bank of India provided specific guidance for provisions to be created against loan assets, including minimum rates of provision to be created against each category of loans i.e., standard, sub-standard and doubtful.	Interest income is recognised using the effective interest method as per Ind AS 109. Ind AS 109 has introduced a concept of Expected Credit Loss (ECL) which is calculated taking into consideration Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD). The guidance given in the standard specifies that PD and LGD shall be calculated considering the history of losses experienced by the company, and also consider forward looking macroeconomic information, which are relevant to the Company.
Employee benefits — Actuarial gains and losses	Actuarial gains and losses should be recognised immediately in the statement of profit and loss as income or expense.	Actuarial gains and losses arising on post retirement defined benefit obligations shall be recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Employee benefits — Discount rate	Market yields at the balance sheet date on government bonds are used as discount rates.	The rate used to discount shall be determined by reference to market yields at the end of the reporting period on government bonds.
Effects of Changes in Foreign Exchange Rates — Functional and presentation currency	Foreign currency is a currency other than the reporting currency, which is the currency in which financial statements are presented. An enterprise normally uses the currency of the country in which it is domiciled to present its financial statements. If it uses a different currency, disclosure of the reason for using that currency is required. There is no concept of functional currency.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than functional currency. Presentation currency is the currency in which the financial statements are presented.
Effects of Changes in Foreign Exchange Rates — Exchange differences (other than the first time adoption exemption)	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise. However, an irrevocable option is provided in Para 46 of Accounting Standard 11 (AS-11) wherein exchange differences arising on reporting of long-term foreign currency monetary	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise

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	items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of such long-term asset/liability by recognition as income or expense in each of such periods.	
Related Party Disclosures — Post employment benefit plans	Post-employment benefit plans are not included as related parties.	Compensation includes post-employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.
Related Party Disclosures — Key management personnel	Key management personnel do not include non-executive directors.	Key management personnel include both executive and non-executive directors.
Related Party Disclosures — Government related entities	No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.	Government related entities require disclosure of the name of the government and its relationship with the reporting entity and the nature and amount of each significant transaction and a qualitative or quantitative indication of other transactions which are significant collectively.
Consolidated Financial Statements — Definition of control of investee	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in the case of any other enterprise so as to obtain economic benefits from its activities.	An investor controls an investee when the investor is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Consolidated Financial Statements — Potential voting rights	Potential voting rights are not considered when assessing control.	Potential voting rights are considered only if they are substantive. For a right to be substantive it must give the holder the current ability to direct the relevant activities of an investee when necessary and the holder must have the practical ability to exercise that right.
Consolidated Financial Statements — Exclusion of subsidiaries	Excluded from consolidation if the subsidiary was acquired with intent to dispose of it within 12 months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IND AS 105, it is included in the consolidation but is accounted for under that standard.
Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.
Consolidated Financial Statements — Uniform Accounting policies	Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in	Consolidated financial statements are prepared using uniform accounting



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	similar circumstances. except if it is impracticable to use uniform accounting policies, which fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different policies have been applied.	policies for like transactions and other events in similar circumstances.
Consolidated Financial Statements — Disposals	No specific guidance.	Partial disposal of a subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognised. Partial disposal of a subsidiary resulting in loss of control triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognised as gain or loss in profit or loss.
Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements of the parent	Accounted at cost less impairment loss.	Accounted for either at cost less impairment loss in accordance with Ind AS 27 or measured at fair value through other comprehensive income as per Ind AS 109. If applicable, accounted as held for sale in accordance with IND AS 105.. However, Equity method is not permitted in separate financial statements.
Investments in Associates and Joint Ventures — Significant influence	Potential voting rights are not considered when assessing significant influence.	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.
Investments in Associates and Joint Ventures — Capital Reserve/Negative Goodwill	Capital reserve is included in the carrying amount of investment in the associate but is disclosed separately.	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
Investments in Associates and Joint Ventures — Reporting date	The maximum difference between the reporting date of the associate and that of the parent is not specified.	The difference between the reporting date of the associate and that of the parent shall be no more than three months.
Investments in Associates and Joint Ventures — Method of Accounting	Investments in associates are accounted for using the equity method whereas investments in joint ventures are accounted for using the proportionate consolidation method.	Investments in associates or joint ventures are to be accounted for using the equity method in consolidated financial statements.
Financial Instruments: Presentation — Classification of convertible debts	Classified as debt based on its legal form and any interest expense is recognised based on the coupon rate.	Split the instrument into its liability and equity components at issuance., except for conversion option embedded in a foreign currency convertible bond under certain circumstances.
Financial Instruments: Presentation — Treasury shares	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	If an entity reacquires its own shares (treasury shares), these are shown as a deduction from equity.
Earnings per share — Disclosure	AS 20 requires disclosure of basic and diluted EPS information both in separate and consolidated financial statements.	IND AS 33 requires separate disclosures for EPS from continuing and discontinued operations. Disclosure is also required for instruments (including contingently issuable shares) that could potentially dilute basic earnings

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		per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.
Impairment of Assets — Reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period.
Provisions, Contingent Liabilities and Contingent Assets — Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values, other than provision for capitalised decommissioning liabilities.	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.
Provisions, Contingent Liabilities and Contingent Assets — Contingent assets	Contingent assets are not disclosed in the financial statements.	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.
Intangible assets — Measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amount.
Intangible assets — Useful life	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.	Useful life may be either finite or indefinite.
Financial Instruments: Recognition and Measurement — Investments, loans and receivables	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value which is other than temporary. Current investments are carried at the lower of cost and fair value. Loans and receivables are measured at cost less valuation allowance.	Financial assets are classified as at fair value through profit and loss, fair value through OCI, and amortised cost. Financial assets are classified as fair value through profit and loss if they are acquired principally for the purpose of selling and are part of a portfolio that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Financial assets are classified as fair value through OCI when an entity's business model's objective is achieved both by collecting cash flows and by selling financial assets. Financial assets at amortised cost are assets which meet the SPPI criteria. These instruments are measured at amortised cost using the effective interest method.
Financial Instruments: Recognition and Measurement — Impairment	Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss.	Impairment losses recognised in profit or loss for equity investments cannot be reversed through profit or loss.
Financial Instruments: Recognition and Measurement — Foreign currency contracts	Premium or discount on forward exchange contracts is amortised and recognised in the statement of profit and loss over the period of such contracts. Exchange differences on such a contract should be recognised in the	A forward exchange contract is measured at fair value as at the statement of financial position date, unless the rules for hedge accounting are applied.

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	statement of profit and loss in the reporting period in which the exchange rates change.	
Financial Instruments: Recognition and Measurement — Derivatives and embedded derivatives	There is no equivalent standard on derivatives however; guidance note state all the derivatives, except those covered in AS 11 are to be recognized at fair value.	Measured at fair values.
Non-current assets held for sale — Recognition and measurement	There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.
Non-current assets held for sale and discontinued operations — Classification	An operation is classified as discontinued at the earlier of: (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.
Operating Segments — Determination of segments	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach.	Operating segments are identified based on the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Operating Segments — Measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise's financial statements.	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.
Operating Segments — Entity-wide disclosures	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting formats are less detailed than those required for primary reporting formats.	Requires disclosure of: (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer are 10 per cent. or more of total segment revenues.

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Presentation of Financial Statements – Classification of Financial Liabilities upon breach of covenants.	<p>There is no guidance in the existing standards. Schedule III Specifies that financial liabilities where the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date will be classified as current liabilities.</p> <p>The Guidance Notes on revised Schedule VI to the companies Act, 1956 (Schedule VI has now been superseded by Schedule III under the Companies Act, 2013) issued by the ICAI states that “In the Indian context, the criteria of a loan becoming repayable on demand on breach of a covenant, is generally added in the terms and conditions as a matter of abundant caution. Also, banks generally do not demand repayment of loans on such minor defaults of debt covenants. Therefore, in such situations, the company generally continue to repay the loan as per its original terms and conditions. Hence, considering that the practical implications of such minor breach are negligible in the Indian scenario, an entity could continue to classify the loan as “non-current” as on the Balance Sheet date since the loan is not actually demanded by the bank at any time prior to the date on which the Financial Statements are approved.</p>	<p>Where there is a breach of a material provision of a long-term arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach, the loan will not be classified as current.</p>
Income Taxes – disclosure	<p>Certain additional disclosures like rate reconciliation, tax holidays and their expiry and unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures are not required.</p>	<p>Additional disclosures required under IND AS include:</p> <ul style="list-style-type: none"> <li>• A reconciliation between the income tax expense (income) reported and the product of accounting profit multiplied by the applicable tax rate. Either a numerical reconciliation or tax rate reconciliation is required to be presented.</li> <li>• Details of tax holidays and expiry.</li> <li>• Unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures.</li> </ul>
Deferred taxes – recognition on foreign currency denominated non-monetary assets/ liabilities when the tax reporting currency is not the functional currency	<p>Not applicable as there is no concept of functional currency.</p>	<p>The non-monetary assets and liabilities of an entity are measured in its functional currency. If the entity's taxable profit or tax loss (and, hence, the tax base of its non-monetary assets and liabilities) is determined in a different currency, changes in the exchange rate give rise to temporary differences that result in a recognised deferred tax liability or asset.</p>

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Property, Plant and Equipment – scope	There is no exemption in AS 10 for property under development for future use as investment property.	Property under construction or development for future use as investment property is excluded from the scope of IND AS 16 and is within the scope of IND AS 40, Investment Property. Biological assets that meet the definition of a bearer plant i.e. a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and which will not be sold as agricultural produce are included in property, plant and equipment (effective from 1 January 2016 with earlier application permitted).
Property, Plant and Equipment – presentation of capital advances	Schedule III requires capital advances to be presented separately under the head ‘Long-term loans and advances’, as part of non-current assets.	As per Ind AS Schedule III, capital advances should be included under other non-current assets.
Evaluating the Substance of Transactions Involving the Legal Form of a Lease	No specific guidance	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.
Intangible Assets – goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years (as per AS 14).	Not amortised but subject to annual impairment test or more frequently whenever there is an impairment indication.
Investment Property – definition and scope	AS 13 defines investment property as an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise.	Investment property is land or building (or part thereof) or both held (whether by owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both. IAS 40 does not apply to owner occupied property or property that is being constructed or developed on behalf of third parties or property held for sale in the ordinary course of business, or property that is leased to another entity under a finance lease.
Investment Property – measurement	Classified as long-term investments and measured at cost less impairment. As per Schedule III to the Companies Act, 2013, they are classified as non-current investments.	Investment properties are measured using the cost model. Fair value model is not permitted. Detailed disclosures pertaining to fair value have to be given.
<b>First Time Adoption</b>		
Previous GAAP	No specific guidance.	IND-AS 101 defines previous GAAP as the basis of accounting that a first-time adopter used for its reporting requirement in India immediately before adopting IND-AS.
Treatment of Changes in Retained Earnings	No specific guidance.	The first-time adopter shall account for the resulting change in the retained earnings as at the transition date. In

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		specific instances, IND-AS allowed adjustment to be made with capital reserve to the extent such adjustment amount does not exceed the balance available in capital reserve.
Additional Exemptions	No specific guidance.	IND-AS 101 provides certain optional exemptions relating to the long-term foreign currency monetary items and service concession arrangements relating to toll roads. An entity may continue the policy adopted for accounting for exchange differences arising from the translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately after the beginning of the first IND-AS financial reporting period as per previous GAAP.
Transitional Relief — Property, Plant and Equipment	No specific guidance.	Paragraph D7AA provides the option to use carrying values of all of its property, plant and equipment as at the date of transition to IND-AS, measured as per previous GAAP and to use them at its deemed cost as at the date of transition.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION

*Our Company, our Promoter, our Directors and our Subsidiaries are involved in various legal proceedings from time to time in the ordinary course of business. Such proceedings may include, among other things, routine tax audits and assessments, some of which may be challenged or appealed, including on account of disallowance of claimed deductions, or claimed procedural irregularities.*

*For the purpose of disclosures in this Shelf Prospectus, in respect of all pending legal proceedings (including civil cases, arbitration proceedings, public interest litigation, recovery matters, and employment matters) involving our Company, our Directors, our Subsidiaries (except REC\*), our Company has considered the following litigation as “Material Civil Cases”:*

- (a) if the amount involved is ascertainable, of such claim where the monetary value is approximately ₹56.55 crore (viz, 1% of profit after tax for the year ended March 31, 2020 of our Company on a standalone basis) or more; or*
- (b) if amount is not ascertainable, then all such proceedings which may have a material adverse effect on our Company*

*\*\*Provided that for the purpose of disclosure of material civil cases for REC, we have considered 1% of PAT of REC for Fiscal 2020 i.e. Rs. 48.86 crore considering that REC is a material subsidiary of our Company.*

*The section below describes the proceedings, which singly or in aggregate, are Material Civil Cases. Although the results of any litigation or related claims or investigations cannot be predicted with certainty, regardless of the outcome, litigation may have an adverse impact on us because of defence and settlement costs, diversion of management resources or other factors.*

*Except as disclosed below, as on the date of this Shelf Prospectus:*

- there are no criminal proceedings involving our Company, our Directors and our Subsidiaries that are pending;*
- there are no material Civil Cases involving our Company, our Director and our Subsidiaries, or any other person, whose outcome could have a material adverse effect on our Company;*
- there are no pending proceedings initiated against the Company for economic offences;*
- there are no acts of material frauds committed against the Company in the last five years, if any, and if so, the action taken by the Company;*
- there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, and fixed deposits and etc., by our Company;*
- there are no matters pertaining to default and non-payment of statutory dues;*
- there aren't any inquiry, inspections or investigations initiated or conducted, and the fines imposed or compounding of offences in the last five years under the Companies Act, 2013 or any previous companies' law in the last five years in the case of the Company and its Subsidiaries; and*
- there are no material regulatory proceedings involving the Company or tax litigations resulting in material liabilities at the time of the Issue which may affect the Issue or an investor's decision to invest/continue to invest in the NCDs*

#### **I. Outstanding litigations involving our Company\***

##### **a. Litigation against our Company**

###### *i. Criminal Proceedings*

1. A criminal writ petition titled 'Union of India vs National Securities Depository Ltd & Ors.' was filed before the Hon'ble Allahabad High Court for issuance of directions to CBI to expeditiously complete its investigation pertaining to a fraudulent transfer of securities from Demat accounts of Northern Railways, Allahabad and for directions to our Company to disallow any further transfer of the securities. Our

Company's bonds are also involved. Our Company has been impleaded as a proforma party in this matter (Respondent No. 4). The Allahabad High Court directed our Company not to transfer bonds until further orders. Our Company received the order of Special Judge, CBI, Lucknow to remit the withheld redemption amount to Northern Central Railway, Allahabad. The same has been remitted by our Company as per the Court's direction. After dismissal of said Writ Petition, a restoration application has been filed by the Petitioner and the said Application has been allowed by the High Court. The next date of hearing in the Writ Petition is not fixed yet.

*ii. Material Civil Cases*

1. Two appeals have been filed by and against Indian Leasing & Financing Services Limited (“**IL&FS**”) before the National Company Law Appellate Tribunal, New Delhi (“**NCLAT**”). Our Company had provided financial assistance to five group companies of IL&FS viz. Lalpur Wind Energy Private Limited, Khandke Wind Energy Private Limited, Ratedi Wind Power Private Limited, Etesian Urja Limited and Wind Urja Private Limited (“**Wind SPVs**”). As informed by the Wind SPVs, IL&FS has been undergoing restructuring and the issue is pending in NCLAT for necessary directions. Our Company, along with four other creditors of IL&FS companies, were impleaded in the instant appeals in the capacity of five largest lenders. In this regard, the Wind SPVs have been paying their outstanding dues on time and have further informed that the NCLAT has approved the sale of these Wind SPVs to Orix, a company in Japan vide its order dated August 28, 2019. The total claim amount against Wind SPVs is ₹ 2,388.60 crore. Post the acquisition of Wind SPVs by Orix Corporation, an affidavit dated January 9, 2020 has been filed by the Union of India for submitting the acquisition by Orix Corporation to the NCLAT, and to discharge the Company from the list of creditors. In this affidavit, Union of India also prayed that NCLAT may direct discharge of our Company from the list of Respondents. The NCLAT has passed a judgment dated March 12, 2020. However, here is no clarity on the disposal of the matter pursuant to the judgment dated March 12, 2020.
2. IDBI Bank Limited has filed a writ petition on November 02, 2018 against our Company before the Delhi High Court, challenging the retention of a bank guarantee (issued on behalf of Isolux Corsan ICIC) which was invoked by our Company (as security agent) pursuant to recall of a loan of South East UP Power Transmission Company Ltd. (SEUPTPCL). The said bank guarantee was issued by Isolux, who in turn assigned it in favour of our Company as per the Loan Agreement between SEUPTPCL, our Company, REC and Bank of India. The claim amount involved is ₹ 58.5 crores. The matter is pending for arguments on the next date of hearing.
3. Two petitions have been filed by (i) M/s Entegra Limited and (ii) Power Infrastructure & Others against Shree Maheshwar Hydel Power Corporation Limited & Others under Sections 241, 242, 244 and 59 of the Companies Act, 2013 before the NCLT, Ahmedabad Bench, claiming dues amounting to ₹ 16,607.77 crores. PFC has filed the replies to both the petitions. The matter is pending for arguments before the NCLT. Both matters were last heard on November 27, 2020. The matter was last listed on December 17, 2020 and stands adjourned to January 7, 2021. Further, I.A. Nos. 67 and 68 in the Entegra matter stand disposed of vide order dated December 18, 2020.

*iii. Tax Litigations–*

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (₹ in crore)
1.	Direct Tax	19	302.10
2.	Indirect Tax	2	21.54
	<b>Total</b>	21	323.64

*b. Litigation filed by our Company*

*i. Criminal Proceedings*

Please refer to the section titled “*Material frauds committed against our Company*” below.

*ii. Material Civil Cases*



1. An insolvency proceeding was filed against Ind Barath Energy (Utkal) Limited before NCLT, Hyderabad Bench, under Section 7 of the Insolvency and Bankruptcy Code (“**IBC**”) by Bank of Baroda. The application was admitted by NCLT vide its order dated August 29, 2018. Consequently, the NCLT declared moratorium and appointed an insolvency resolution professional (“**IRP**”), as suggested by Bank of Baroda. Our Company is a lender of Ind Barath Energy (Utkal) Limited. Accordingly, the Company has filed a claim dated September 11, 2019, amounting to ₹2,154.18 crore along with other lenders. Thereafter, an application for approval of resolution plan (submitted by successful resolution applicant – JSWEL) was filed before the NCLT. The NCLT has heard the aforesaid application for approval of resolution plan and has reserved the orders. Pursuant thereto, 2 applications have been filed by Punjab National Bank, wherein lenders have also been impleaded as parties. These applications were dismissed by NCLT. The matter is listed for hearing.

Further, an appeal has been filed by the Udayraj Patwardhan (RP of Ind-Bharath Energy (Utkal) Ltd) before the National Company Law Appellate Tribunal (“**NCLAT**”) against the order dated July 6, 2020 passed by the NCLT, Hyderabad, pertaining to an application filed by Tata Capital Financial Services Ltd (“**TCFS**”) before the NCLT regarding the quantum of claim submitted by TCFS, for a claim amount of Rs. 66.6 crores. Vide order dated August 18, 2020, the NCLAT impleaded COC as proforma party. Accordingly, appearance was made on behalf of our Company (being part of COC). The matter was last listed on December 8, 2020. However, the matter was not taken up on this date. The next date of hearing is not notified. Pleadings are complete in the matter and written submissions have been filed.\*

2. An insolvency application was filed before NCLT, Hyderabad against Ind-Barath Power (Madras) Ltd. under Section 9 of the IBC, seeking initiation of corporate insolvency resolution process (“**CIRP**”) of Ind-Barath Power (Madras) Ltd. Our Company had filed a claim in the CIRP of Ind-Barath (Madras) Ltd. Since no resolution plan was received, the NCLT passed an order of liquidation of Ind-Barath Power (Madras) Ltd. on April 22, 2019 and appointed a liquidator. Our Company has filed its claim before the liquidator for an amount of ₹ 642.08 crores. Presently, the liquidation process is underway.
3. An insolvency application was filed under Section 7 of the IBC before NCLT, Hyderabad for initiation of CIRP of East Coast Energy Private Limited (“**ECEPL**”). Our Company had filed a claim in the CIRP of ECEPL. Since no resolution plan was received, NCLT passed an order of liquidation of ECEPL on April 22, 2019 and appointed a liquidator. Our Company has filed its claim before the liquidator for an amount of ₹ 1,671.36 crores. Presently, the liquidation process is underway.
4. Pursuant to an application filed by IDBI Bank Ltd. before NCLT, Hyderabad Bench under Section 7 of the IBC, the CIRP of Konaseema Gas Power Limited (“**Konaseema**”) was initiated vide order dated December 18, 2018 and an IRP was appointed. . Our Company filed a claim in the CIRP of Konaseema on August 27, 2018 for an amount of ₹ 1,175.14 crores. On February 20, 2020, the NCLT passed an order of liquidation of Konaseema and appointed a liquidator. Our Company has filed its claim on March 19, 2020 before the liquidator for an amount of ₹ 1411,83,52,004.36. The amount claimed has been admitted by the liquidator.\*
5. An insolvency application was filed against Jhabua Power Limited by F.L. Smidth Pvt. Ltd. (an operational creditor) before NCLT, Kolkata under Section 9 of IBC for initiation of CIRP of Jhabua Power Ltd. This application was admitted by NCLT, Kolkata on March 27, 2019 and an IRP was appointed. Pursuant thereto, our Company filed a claim in the insolvency of Jhabua Power Ltd. for an amount of ₹1,034.50 crores. . The resolution professional (“**RP**”) has received bids in respect of the CIRP of Jhabua Power Limited, which are presently under consideration. The last meeting of the committee of creditors (“**COC**”) of Jhabua Power Limited was held on October 29, 2020, wherein the COC *inter alia* discussed the way forward. Meanwhile, the RP has filed an application for extension of period of CIRP before NCLT, Kolkata. The last meeting of the committee of creditors of Jhabua Power Limited was held on December 21, 2020. Meanwhile, the RP is to file an application for extension of period of CIRP before NCLT, Kolkata.
6. An application was filed by our Company before NCLT, Hyderabad under Section 7 of the IBC, seeking initiation of CIRP of Krishna Godavari Power Utilities Limited (“**KGPUL**”). This application was admitted by NCLT on December 4, 2018. Pursuant thereto, our Company filed a claim in the CIRP of KGPUL for an amount of ₹161.98 crores. Thereafter, vide its order dated February 27, 2020, the NCLT approved a resolution plan submitted by Karthik Rukmini Energy Limited (successful resolution applicant). However, the successful resolution applicant was unable to make timely payments under the resolution plan on account of Covid-19. Accordingly, an application has been filed by the RP before NCLT as the payment schedule was changed (with the approval of secured lenders). The last meeting of the Monitoring Committee of KGPUL was held on December 4, 2020. The matter is pending before NCLT. The next Monitoring Committee Meeting was held

on January 06, 2021. IAs 919 & 1210 of 2020 in CP (IB) 249 of 2018 were listed for hearing on January 04, 2021, where the Tribunal asked both parties to complete the pleadings in the pending IAs. The matter was adjourned to February 02, 2021. \*

7. An application was filed by our Company before NCLT, Hyderabad under Section 7 of IBC, seeking initiation of CIRP of KVK Nilachal Power Private Limited. The matter was admitted and the CIRP commenced on September 17, 2019. Pursuant thereto, our Company filed its claim for an amount of ₹ 834.60 crores. Since no resolution plan was received, the COC of KVK Nilachal Power Private Limited voted for liquidation in its meeting held on March 16 and 17, 2020. Thereafter, an application for liquidation was filed before the NCLT on March 20, 2020. The matter was last listed on December 10, 2020 for filing of written submissions. Pleadings are complete. The matter is reserved for orders.\*
8. An application was filed by our Company before NCLT, Hyderabad under Section 7 of the IBC, seeking initiation of CIRP of Jal Power Corporation Limited. The NCLT admitted the application vide order dated April 9, 2019 and appointed an IRP. Pursuant thereto, our Company filed a claim for an amount of ₹770.28 crore. Thereafter, the COC of Jal Power Corporation Limited approved the resolution plan submitted by NHPC Limited. Accordingly, the RP filed an application before the NCLT on January 28, 2020 for approval of the resolution plan. On the last date of hearing, the NCLT reserved the order in the application for approval of resolution plan.
9. An application was filed by our Company before NCLT, Ahmedabad under Section 7 of the IBC, seeking initiation of CIRP of Shree Maheshwar Hydel Power Corporation Limited for default of an amount of ₹ 2,789.42 crores. The final order in this application was reserved by the NCLT in its last hearing dated February 28, 2020. However, the hearing for the matter has been started de novo before a new bench of the NCLT. The matter is next listed on January 17, 2021.\*
10. An original application was filed by Assets Care & Reconstruction Enterprises Limited against Jas Infrastructure and Power Limited & Ors. before Debt Recovery Tribunal (“DRT”), New Delhi. Application for impleadment of our Company, India Infrastructure Finance Company Limited and State Bank of Bikaner and Jaipur amongst others as co-applicants in the original application was filed on September 6, 2016. The application for impleadment of our Company has been allowed by the concerned DRT. Amended original application had been filed on January 31, 2017 for recovery of our Company’s dues amounting to ₹312.16 crores. The matter was last listed on December 9, 2020. The matter has been adjourned to January 31, 2021.\*
11. Our Company, along with other lenders, had provided financial assistance to Shree Maheshwar Hydel Power Corporation Limited (“SMHPCL”). On the account turning non-performing asset, our Company filed an original application before the DRT, Delhi, along with REC, IIFCL, HUDCO and Edelweiss, against the personal and corporate guarantors of SMHPCL. Our Company has filed the aforesaid application for a claim amount of ₹ 826.19 crore. Meanwhile, we have entered into an MoU with SMHPCL and its promoters for exploring a settlement plan. The matter is pending before DRT, Delhi for further submissions. On the last date of hearing held on October 7, 2020, the DRT directed the lenders to file amended rejoinders and affidavits of evidence and posted the matter to February 9, 2021.
12. A writ petition has been filed by our Company before the Delhi High Court against IDBI Bank Limited and others, seeking issuance of writ of mandamus or any other appropriate writ/direction/order for directing IDBI Bank Limited to release the payment of a sum of ₹ 88.56 crores towards its obligations under the bank guarantee furnished in the favour of our Company for debt servicing on behalf of Lanco Amarkantak Power Limited. The matter is currently pending. The matter was listed for hearing on December 8, 2020 for hearing. However, due to Covid-19, the matter was adjourned to February 8, 2021.\*
13. An application was jointly filed *inter alia* by IDBI Bank Limited and our Company against Konaseema Gas Power Limited & others under Section 19 of Recovery of Debts Due to Banks and Financial Institutions Act, 1993 before the DRT Hyderabad. The amount claimed by our Company in this application is ₹ 956.01 crores. The matter is next listed for appearance of the insolvency professional. The next date of hearing will be intimated after DRT becomes functional.
14. A civil suit has been filed by our Company, REC Limited and India Infrastructure Finance Company Limited before the Delhi High Court against Axis Bank Limited and others, for recovery of ₹ 625.09 crores towards damages for loss caused by breach of Trust and Retention Account Agreement (TRA) in the Ind Barath (Madras) Project. The matter is next listed on March 25, 2021.\*

15. An application was filed by our Company under Section 7 of the IBC before the NCLT, Allahabad Bench, seeking initiation of CIRP of South East U.P. Power Transmission Company Limited (“**SEUPPTCL**”). The application was admitted by NCLT Allahabad on July 16, 2020 for a default of ₹ 2,475.50 crores. An IRP was appointed and COC was constituted thereafter. The CIRP is at the stage of request for resolution plan. The last COC was conducted on January 04, 2021.\*
16. An original application has been filed *inter alia* by our Company against KVK Nilanchal Power Private Limited & others before the DRT, Delhi, for recovery of dues amounting to ₹ 1,954.45 crores. Pursuant thereto, our Company has filed claim for an amount of ₹ 818.34 crores. The matter is listed for hearing on February 3, 2021.\*
17. An original application has been filed by our Company against M/s. Lanco Amarkantak Power Limited before DRT, Delhi under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 for recovery of dues amounting to ₹ 3,118.19 crores. On the last date of hearing i.e. October 27, 2020, our Company pressed the application for grant of interim attachment of assets (as declared by defendant nos. 3 to 5 in their affidavits). The DRT directed the opposite party to file reply to the application for attachment and listed the matter for November 4, 2020 for arguments. As State Bank of India has filed an application under Section 95 of the IBC against defendant nos. 2 and 6, moratorium is applicable on them and proceedings against them are stalled for another 6 months. The DRT reserved the orders in application for attachment of properties of defendant nos. 3, 4 and 5. The matter was listed on December 21, 2020 through video conferencing. The order could not be pronounced on the IA for attachment of accounts. The matter has been adjourned for orders on the IA. The matter was adjourned to December 28, 2020 for orders on IA. Further, two caveats have been filed on January 04, 2021 before High Court of Delhi.
18. An application has been filed by our Company under Section 7 of the IBC before NCLT, Hyderabad, seeking initiation of CIRP of KSK Mahanadi Power Corporation Limited. The Section 7 application filed by our Company was admitted by the NCLT on October 3, 2019. Consequently, our Company filed its claim for an amount of ₹ 44,47,91,43,970/-, which was admitted by the IRP in full. In its last COC meeting on October 23, 2020, the COC passed a resolution for extension of the last date of submission of resolution plan by potential resolution applicants. The last COC meeting (14<sup>th</sup> meeting) was held on December 22, 2020 to discuss the draft technical report received from L&T - Sargent & Lundy Limited (Agency) appointed to assist the resolution professional for conducting technical study of plant of the corporate debtor and to update the members of COC on the current litigation matters and status of operations of the corporate debtor. The last COC was held on December 22, 2020 to discuss the draft technical report received from the L&T – Sargent & Lundy Limited (Agency) which was appointed to assist the RP for conducting technical study of plant of the corporate debtor and to update the COC members on the current litigation matters & status of operations of the corporate debtor. Meanwhile, COOC of KSK Mahanadi has filed an appeal before NCLAT on December 16, 2020 against NCLT Hyderabad’s Order dated November 26, 2020 pronounced in IA 929/2020 in CP(IB) No. 492/07/HDB/2019. The matter is listed on January 27, 2021 for hearing.\*
19. An application was filed by Axis Bank along with other financial creditors before NCLT, Hyderabad, seeking initiation of CIRP of Lanco Amarkantak Power Limited (“**LAPL**”) for non-payment of outstanding dues. NCLT Hyderabad has admitted the petition and passed an order of initiation of CIRP of LAPL dated September 5, 2019. Our Company has made a claim for an amount of ₹ 31,86,43,58,225. Two resolution plans have been received in respect of LAPL. At the same time, a settlement application has also been received from the promoters of LAPL. The CIRP of LAPL is currently underway.
20. An application was filed by Punjab National Bank before the NCLT, Kolkata Bench, seeking initiation of CIRP of Jas Infrastructure and Power Ltd. The CIRP was admitted vide order dated October 16, 2019 passed by the NCLT. Thereafter, on July 17, 2020, the NCLT passed an order of liquidation of Jas Infrastructure and Power Ltd. and appointed a liquidator. PFC has filed its claim of ₹ 520,81,66,035/- before the liquidator, which has been admitted.
21. ICICI Bank filed an application before NCLT, New Delhi under Section 7 of the IBC, seeking initiation of CIRP of Essar Power MP Ltd. The NCLT admitted the application vide order dated October 3, 2020. Our Company has filed claim before the IRP of Essar Power MP Ltd. for an amount of ₹ 2917.10 crores. Out of the total claim amount of ₹ 2917.10 crores, an amount of ₹ 1344.5 crores has been admitted and ₹ 1572.6 crores is under verification. The CIRP of Essar Power MP Ltd is presently underway.

22. An original application has been filed by our Company against Essar Power MP Ltd. before DRT-I, Delhi, for recovery of dues amounting to ₹ 1954.45 crores. The claim of our Company is ₹ 2319 crores. The original application is at the stage of service of summons. The next date of hearing is January 6, 2021. Presently, Essar Power is under CIRP (initiated w.e.f. September 29, 2020) and therefore hearing in the original application before DRT is stayed on account of the imposition of moratorium. Fresh summons have been issued and the matter is now listed for March 24, 2021.

*iii. Tax Litigations-*

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (₹ in crore)
1.	Direct Tax	19	229.44
2.	Indirect Tax	2	1.19
	<b>Total</b>	21	230.63

*\*Status of legal litigation cases examined with respect to amount under litigation only as per the data provided by the management of the Company.*

**II. Outstanding litigations involving our Subsidiaries\***

**a. PFCCL**

*i. Criminal Proceedings*

There are no pending criminal proceedings involving PFCCL.

*ii. Material Civil Cases*

1. A writ petition has been filed before the Delhi High Court by Coastal Andhra Power Limited (“CAPL”) and Reliance Power Limited (“RPL”) invoking the Share Purchase Agreement executed between our Company, CAPL and RPL dated January 28, 2008 (“SPA”), to initiate and conclude the process of buy-back of shares of CAPL. By way of background, CAPL was transferred to RPL for development of Krishnapattnam Ultra Mega Power Project. On March 15, 2012, Andhra Pradesh Southern Power Distribution Company Limited (“APSPDCL”) issued a notice of termination of Power Purchase Agreement (“PPA”). CAPL filed a writ petition before the High Court of Delhi seeking interim protection inter-alia against termination of PPA and the invocation of the concerned bank guarantee. The Single Bench of Delhi High Court dismissed the petition and held that petition filed by CAPL was not maintainable. RPL filed an appeal against the decision of Single Bench before Division Bench of Delhi High Court. The Division Bench dismissed all the appeals filed by CAPL and RPL. Thereafter, RPL and CAPL have filed the present writ petition invoking the SPA and have prayed for issuance of directions against our Company and APSPDCL to initiate and conclude the process of buyback of shares. In case the Delhi High Court passes a direction to our Company for buy-back of CAPL, our Company will have to pay more than ₹ 250 crores to RPL. On the last date of hearing i.e. January 21, 2020, the matter was adjourned to July 9, 2020. Thereafter, on account of Covid-19 pandemic and the resulting lockdown, the matter was not taken up for hearing.
2. A writ petition was filed by Reliance Power Limited (“RPL”) against the Union of India before the Delhi High Court, whereby RPL has challenged a gazette notification issued by Union of India, withdrawing the Chhatrasal Coal Block allotted to Sasan Ultra Mega Power Project (“Sasan UMPP”). Our Company is one of the Respondents in the writ petition. RPL has inter alia prayed for a direction that our Company, which sold the entire equity shareholding of Sasan Power Limited (“SPL”) to RPL, be directed to purchase the entire shareholding of SPL, along with all its assets and liabilities from RPL for an amount equal to the aggregate of:
  - i. The investments, loans and advances made by RPL to SPL; and
  - ii. The loss of return/ profit calculated at 16% p.a. on a post-tax basis.

The amount involved in this case is unascertainable at this stage. On the last date of hearing i.e. February 24, 2020, the matter was adjourned to April 16, 2020. Thereafter, on account of Covid-19 pandemic and the resulting lockdown, the matter was not taken up for hearing.

iii. Tax Litigations

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (₹ in crore)
1.	Direct Tax*	1	2.66
2.	Indirect Tax	-	-
	Total	1	2.66

\* Pending with CIT(A)

b. REC\*

i. Criminal Proceedings

1. REC came across an instance of fraudulent encashment through forged documents of money invested by one of the investors in 54EC Capital Gains tax Exemption Bonds by some impersonator during the year 2016-17. Based on the complaint filed by REC, the police filed an FIR against the impersonator and the officials of then Registrar and Transfer Agent (“R&TA”). The matter was duly reported to the RBI. A criminal case (FIR No. 204/2017) has also been filed by the police against the suspected culprits. REC has also filed a civil suit on 1st March, 2018, against the erstwhile R&TA (M/s RCMC Share Registry Private Limited) for recovery of the dues. The matters are pending for adjudication.
2. REC had sanctioned a term loan under a consortium lending facility to IBPML for developing 660MW Coal based Thermal Project in Tuticorin District, Tamil Nadu. Power Finance Corporation Limited is the lender’s agent (Lead) as well as Security Trustee for the consortium. The project has been classified as ‘Non-Performing Asset’ by REC. In the forensic audit report, instances of mis-utilisation of project funds by the borrower to meet the shortfall in cash flows of its other group companies were reported. Further, some part of the project funds were paid by the borrower company to some of the project contractors as advances which were also reported to have been diverted to group companies through the creation of fixed deposits. The matter was duly reported to the RBI and Law Enforcement Agencies. A joint civil suit for the claim amount has also been instituted against the TRA Banker by the lenders in Hon’ble High Court of Delhi on April 2, 2019. The said matter is pending for adjudication before the Hon’ble High Court of Delhi. Insolvency proceedings were initiated against IBPML vide order of NCLT, Hyderabad dated August 14, 2017. However, no viable plan was finalized to the acceptance of the committee of creditors till the expiry of corporate insolvency resolution process period on October 11, 2018. Subsequently, the resolution professional filed a petition in the NCLT for liquidation of the company which was thereafter approved by NCLT. REC has filed its claim with the liquidator and the liquidation proceedings are presently going on.

ii. Material Civil Cases

1. Rural Electrification Limited vs. Facor Power Limited - Original Application No.146 of 2017 filed by REC against Facor Power Ltd & 13 others, seeking decree for Rs.710 crore before DRT-I, Delhi.
2. Rural Electrification Corporation Limited v/s Meenakshi Energy Limited and others filed before NCLT, Hyderabad – Meenakshi Energy Limited has issued 10.2 crores number of fresh equity shares to IPCL. These shares are carrying differential voting rights. One share carries 1000 votes. Due to aforesaid allotment of shares having differential voting rights, the Lenders will have 3.75% voting rights in the Borrower Company in case of invocation of pledge of shares as against the 97.58% voting rights available earlier. MEL has issued these shares in contravention of the provisions of the Companies Act. REC has filed the present application on behalf of Phase II lenders seeking cancellation of allotment of additional shares issued to IPCL.
3. India Power Corporation Limited and others v/s SBI and other – Writ Petition before High Court of Andhra Pradesh at Amravathi. This writ petition has been filed by IPCL against the invocation and transfer of pledged shares by SBICAP Trustee on behalf of Phase I Lenders. IPCL has sought directions to the effect that;
  - (a). Declaring the invocation and transfer of pledged shares to SBICAP Trustee without carrying valuation of the pledged shares as illegal.
  - (b). Directions may be issued to SBICAP Trustee for carrying out valuation of the pledged shares and consequently provide No Dues Certificate to Respondent no. 15 i.e MEL.

(c) Directions may be issued to SBICAP Trustee to return shares of MEL to IPCL being the balance shares after meeting the value of lawful outstanding dues.

4. Meenakshi Energy Limited and others v/s SBI and other – This Writ Petition has been filed by MEL against SBI, REC and other Lenders before Telangana High Court. MEL has sought following declarations/directions from the Court;
  1. Declaring the actions of the Lenders of accessing and utilizing the funds in the TRA no. 36049000407 including the mutual funds post invocation of share pledge agreement as illegal and directions to the Lenders to refund all amounts debited by Lenders from the TRA no. 36049000407 since May 2018 and further restraining the Lenders from accessing or utilizing the amount lying in TRA.
  2. Direct the Lenders to allow MEL to access, utilize the funds in the TRA for carrying out the operation and management of the Project.
  3. Direct the Lenders to issue a “No Dues Certificate” recording the satisfaction of the debt payable by MEL and further to return the securities of MEL.
  4. Restrain Lenders from conducting any other steps/actions against the Petitioner in relation to the plant of MEL.
5. Meenakshi Energy Limited and others v/s SBI and other - MEL has filed another Writ Petition before Hyderabad High Court against Phase-I and Phase-II lenders with the following prayers:
  - (i) Directions to the effect that action of some of the Lenders in declaring MEL account as NPA is arbitrary and illegal.
  - (ii) Directions to restrain the Lenders from taking any steps/coercive action based on declaration of account of MEL as NPA
6. India Power Corporation Limited and others v/s SBI and other – IPCL has filed the present Company Application before NCLT, Hyderabad and alleged that Lenders to MEL has taken over the shareholding of MEL and thus their debt has been discharged but still they are making withdrawals from the TRA which is illegal. IPCL has alleged the oppression and mismanagement by the Lenders. IPCL has sought following reliefs:
  - Regulate the oppressive conduct of Lenders and make available funds to MEL
  - Declare that CLA and TRA Agreement has been discharged and terminated.
  - Restrain Lenders from dealing with the funds lying in TRA.
  - Amount of Rs. 260 crores transferred from TRA after 02.05.2018 may be reverted back along with interest @ 24%.
  - Restrain the Lenders from holding them as creditors of MEL.
  - Investigation into the affairs of MEL to the extent of withdrawal of funds by Lenders.
7. Punjab National Bank has filed an application before DRT II, Hyderabad against Meenakshi Energy Limited (OA No. 514 of 2019) claiming amount of Rs. 139.73 crore.
8. M/s Siemens v. MEL - Siemens, one of the Operational Creditors, along with M/s EDAC, entered into two Agreements with MEL. Siemens got issued two performance Bank Guarantees (PBGs) in favour of MEL from HDFC Bank. REC had issued a letter to HDFC Bank Limited (the bank which has issued PBGs) that in case of invocation of PBGs the proceeds should be remitted in the TRA account maintained by MEL. On 18.10.2019, MEL invoked the PBGs issued by Siemens. Aggrieved by the invocation of PBGs, Siemens Ltd has filed an application before NCLT, Hyderabad to issue directions against the Respondents for preservation and refund of the monies realised under the PBGs currently lying in the custody with RP. Hon'ble NCLT has dismissed the application filed by Siemens Limited.
9. Devi Trading & Holding Pvt. Ltd. v. Shri Ravi Shankar Devarakonda (RP) - SREI and Vistar Financial Services have provided loans to MEL for meeting expenditure of Phase I Project. SREI and Vistar Financial Services, later on assigned their debt to one Devi Trading who has filed its claim before RP of MEL. Devi Trading has filed application before NCLT Hyderabad whereby Devi Trading has sought following reliefs:
  - (i) Direction be issued to RP to not to treat Respondent no. 2 to 13 (i.e. Lenders) as Financial Creditor

- (ii) Direction be issued to RP to treat Respondent no. 2 to 13 (i.e. Lenders) as related parties.
- (iii) RP (Sh. Ravishankar Devarakonda) be removed and other person be appointed in his place.
- (iv) interim stay on meetings of COC.
- (v) Interim stay on CIRP
- (vi) Interim directions to RP to not to proceed based on the resolutions adopted by COC.

10. State Bank of India v/s IPCL - IPCL had filed CP No. 660/241/HDB/2018 before NCLT, Hyderabad and alleged that Lenders to MEL has taken over the shareholding of MEL and thus their debt has been discharged but still they are making withdrawals from the TRA which is illegal. IPCL has alleged the oppression and mismanagement by the Lenders. IPCL sought following reliefs:

- Regulate the oppressive conduct of Lenders and make available funds to MEL.
- Declare that CLA and TRA Agreement has been discharged and terminated.
- Restraint Lenders from dealing with the funds lying in TRA.
- Amount of Rs. 260 crores transferred from TRA after 02.05.2018 may be reverted back along with interest @ 24%.
- Restraint the Lenders from holding them as creditors of MEL.
- Investigation into the affairs of MEL to the extent of withdrawal of funds by Lenders. NCLT passed orders in favour of IPCL. SBI, therefore, has appealed against the said orders.

SBI had filed an IA challenging the maintainability of Petition filed by IPCL. After hearing all the parties, NCLT has dismissed the IA filed by SBI and now SBI has filed appeal before NCLAT against the order passed by Hon'ble NCLT.

11. Lanco Anpara Power Ltd vs UPPCL & REC – Writ petition has been filed by Lanco Anpara seeking direction to UPPCL to release payment in terms of approved tariff as per APTEL order dt. 08.09.2018 since due to non-release of payment as per revised tariff, it is unable to service dues of REC. Consequently, REC has initiated action against Lanco Anpara under IBC which is sought to be stayed by way of this writ. Prayer has been made to High Court to forbear REC from proceeding with its petition and keeping such proceeding in abeyance till the time orders of UPERC & APTEL are not complied by UPPCL.
12. PNB vs Lanco Babandh Power Limited – PNB has filed OA before DRT, Chandigarh against Lanco Babandh Power Limited for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
13. ICICI Vs Lanco Babandh Power Limited - ICICI Bank Limited has filed OA before DRT-I, Delhi against Lanco Babandh Power Limited for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
14. REC vs Lanco Babandh Power Ltd. - REC has filed OA before DRT, Delhi against Borrower and Guarantors claiming sum of Rs.1549,80,69,384/-
15. PNB and other Vs Lanco Vidarbha Thermal Power Limited - Lenders (including REC) have filed OA before DRT, Delhi against Lanco Vidarbha Thermal Power Limited for recovery of their dues.
16. ARCIL V/s Corporate Power Limited & Ors (Phase-I) - REC has granted financial assistance to CPL for construction of Phase I Project. Borrower defaulted in the payment of Principal and Interest. Consequently, the account became NPA.REC has recalled the entire loan. ARCIL, REC and other lenders have jointly filed the Original Application before DRT III, Calcutta. Total claim of REC is Rs. 11,69,76,76,980/-. Borrower has entered appearance and filed its reply. Borrower has also filed counter against Lenders which has been duly replied. Lenders have submitted their evidence before DRT.
17. ARCIL V/s Corporate Power Limited & Ors. (Phase-II) - ARCIL has filed OA before DRT, Calcutta against CPL on behalf of Phase-II Lenders and REC has been impleaded as proforma defendant. Reply of REC has been filed.

18. Allahabad Bank vs. Corporate Power Private Limited & Ors.- Allahabad Bank Ltd. has filed OA before DRT, Calcutta against CPL for recovery of its dues and REC has been impleaded as proforma defendant. NO Relief has been sought against REC.
19. Manoj Kumar Jayaswal v REC Limited & Ors. before Civil Court, Nagpur.- the Plaintiffs have contended that the Defendants (including REC) have reported the name of Plaintiffs to the Central Fraud Registry of the RBI while assuming diversion of funds based on the frivolous and misconceived report of the Forensic Auditor whereas it was mere failure to repay the loan amount and not fraud. The plaintiffs have sought prayer that action taken by Defendants (i.e Lenders to JIPL and CPL) to notify name of Plaintiffs to Central Fraud Registry is illegal and Defendants be directed to not to act in terms of decision to send the names to the Central Fraud Registry.
20. ICICI Bank Limited v/s Essar Power MP Limited and others - ICICI Bank Limited has filed OA before DRT-I, Delhi against Essar Power MP Limited for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
21. Punjab National Bank vs. Essar Power MP Limited - The Original Application has been filed before DRT, Delhi by Punjab National Bank against the Essar Power MP Limited for recovery of sum of Rs. 1318,68,17,029.79 together with pendente lite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent.
22. REC vs. Essar Power MP Limited - REC has filed Original Application before DRT, Delhi against Essar Power MP Limited for recovery of dues amounting to Rs. 2,169,48,04,592.
23. PFC vs Essar Power MP Limited - The Original Application has been filed by Power Finance Corporation against the Essar Power MP Limited before DRT, Delhi for recovery of sum of Rs. 2319.00 Crores together with pendente lite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent 12.
24. Oriental Bank of Commerce V/s Jas Infrastructure and Power Limited and others - OBC has filed OA before DRT-II, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant.
25. UCO Bank V/s Jas Infrastructure and Power Limited and others - UCO Bank has filed OA before DRT, Mumbai against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
26. PNB V/s Jas Infrastructure and Power Limited and others - PNB has filed OA before DRT, Calcutta against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC. Reply on behalf of REC has been filed.
27. ACRE V/s Jas Infrastructure and Power Limited and others - ACRE has filed OA before DRT, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
28. REC V/s Jas Infrastructure and Power Limited and others - Pursuant to default in servicing of debt, REC has filed Original Application before DRT, Delhi against the Borrower before the DRT, Delhi. Borrower has filed its reply and also filed counter claim against the REC. Written statement to the counter claim has been filed on behalf of REC.
29. Bank of India v/s Jas Infrastructure and Power Limited and others - BoI has filed OA before DRT, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC. Reply on behalf of REC has been filed.
30. Manoj Kumar Jayaswal v. ACREL before Civil Court, Nagpur - The Plaintiffs, Manoj Kumar Jayaswal (Plaintiff No. 1) and Abhishek Jayaswal (Plaintiff No. 2), erstwhile directors of Jas Infra Power Limited, have instituted



a civil suit titled Manoj Kumar Jayaswal v. ACREL and others for decree of declaration, mandatory injunction and damages against the Defendants. The Plaintiffs have contended that the Defendants (including REC) have reported the accounts of Plaintiffs to the Central Fraud Registry of the RBI while assuming diversion of funds based on the frivolous and misconceived report of the Forensic Auditor. The Plaintiffs further go on to contend that non completion of the project was due to default on part of the Lenders in not disbursing their respective facility amount on time as agreed upon in the Financing Documents, hence, such act of dereliction from agreed terms renders the contractual obligation for the Plaintiff redundant and from the very day of breach by the Defendant Banks of the terms of the Agreement, the Agreement on strength of which the Defendant Banks proceeded to take steps/ measures against the Plaintiffs has become non tenable in the eyes of the Law. In addition, considering the cancellation of coal block allotted to Plaintiff No. 1 by the Supreme Court and hardships faced by not disbursing their respective facility amount, it was mere failure to repay the loan amount and not fraud. The Lenders in a malicious and vindictive manner, without having followed the principles of natural justice, have reported the name of the Borrower in the Central Fraud Registry.

31. RKM Powergen Pvt. Ltd v/s REC and other - The RKM has filed the Writ Petition No. 27159/156 before High Court of Judicature at Madras, not to classify the accounts of the respondent as NPA. The Hon'ble Court, Madras has passed the interim order dt. 18.9.15 directing REC not to classify the account of the petitioner as NPA. In pursuant of the same an Application has been filed by REC in the subject matter case before Hon'ble High Court of Madras for vacation of stay order dt. 18.09.2015, wherein the Hon'ble court passed the order not to classify the accounts of the respondent as NPA. The matter is sub judice.
32. Entegra Limited and others v/s Shree Maheshwar Hydel Power Corporation Ltd and others before NCLT, Ahmedabad - The Petitioners have alleged that Respondent No.2 (PFC) under the grab of providing funds to Respondent No.1 company, took over the control and management of Respondent No.1 company in the year 2005 to complete and commission the project 400MW to generate electricity, and thereafter carried out various acts of omission and mismanagement so as to frustrate the completion and implementation of the project by diverting project funds on priority to itself/lenders. Further alleged that Respondent No.2 without complying with the due process of law, invoked substantial pledge of shares and malafidely and illegally got transferred the pledged shares of the promoters to Respondent No.2 to 8 and converted the outstanding dues into equity. PFC (Lead Lender) has been authorized to defend the matter on behalf of Lenders.
33. Power Infrastructure India v/s Shree Maheshwar Hydel Power Corporation Ltd and others before NCLT, Ahmedabad - In this Petition, Shree Maheshwar Hydel Power Corporation Ltd. has been made as Respondent No.1; Power Finance Corporation (lead lender) as Respondent No.2 and REC as Respondent No.4. The Petitioners have alleged that Respondent No.2 took over the control and management of Respondent No.1 Company in the year 2005 to complete and commission the project 400MW to generate electricity, and thereafter carried out various acts of omission and mismanagement so as to frustrate the completion and implementation of the project. Further alleged that Respondent No.2 has illegally converted the debt into equity which puts the Petitioner equity into risk. The Petitioner has sought for appointment of fit and appropriate person to manage the affairs of the Company.
34. Power Finance Corporation & Others vs Mukul Kasliwal & Others - Due to default in repayment of the loan, all the Lenders have jointly filed Original Application before DRT Delhi against guarantors namely (1) Mukul S Kasliwal (2) Shambhu Kumar Kasliwal (3) Vikas S Kasliwal (4) Warij A Kasliwal (5) S.Kumar Nationwide Limited (6) Entegra Limited (7) MW Infra Developers Pvt. Ltd. Lenders have authorized PFC for filing the present OA.
35. Power Finance Corporation Limited v/s Shree Maheshwar Hydel Power Corporation Limited - PFC Lead Lender has filed an Application under section 7 of the Insolvency & Bankruptcy Code 2016 for initiating corporate insolvency resolution process against the Borrower company Maheshwar Hydel Power Corporation Limited. As informed by PFC, the Application is filed on 16.2.2018 and same is pending for admission before NCLT, Ahmadabad. After filing of the said Application by PFC, Respondent Corporate Debtor has filed objection/reply to oppose the present IB Petition. Further the promoters (Power Infrastructure & Entegra Limited) and several workmen/ employees of SMHPCL have also filed intervening applications. NCLT vide order dt.29.05.2018, held that the Judgement passed by this bench in CP.No.15/2018 is upheld by

NCLAT and NCLAT while dismissing the Appeal directed Central Government for necessary investigation to be carried out under section 210 of the Companies Act and forwarded the Judgement to Govt. Of MP. Therefore, to ascertain the views /stand of Central Government & Govt of MP on the present IB petition, had issued notices to Central Government through MCA, Govt. of Madhya Pradesh through Advocate General for forwarding their comments/objections if willing so in respect of the present IB petition and Pending IAs. Thereafter on 06.07.2018, the Govt. of MP through their counsel sought 04 weeks time to file their vakalatnama and reply as necessary approvals required to be taken from Department. NCLT allowed the prayer to file the reply within three weeks with an advance copy to other side. . Accordingly the matter is adjourned to 07.08.2018.

36. IDBI Ltd. Vs. Shree Maheshwar Hydel Power Corporation Ltd. & Others - Due to default in repayment of the loan, IDBI Bank has filed Original Application against (1)Shree Maheshwar Hydel Power Corporation Ltd. and its guarantors namely (2) Mukul S Kasliwal (3) Abhay Kumar Kasliwal (4) Shambhu Kumar Kasliwal (5) Vikas S Kasliwal (6) S.Kumar Nationwide Limited (7) Entegra Limited (8) MW Infra Developers Pvt. Ltd.
37. IDBI Bank Limited and others v/s Konaseema Gas Power Limited - Pursuant to default in servicing of debt, IDBI Bank Limited has filed Joint Original Application before DRT, Hyderabad against Konaseema Gas Power Limited. REC has filed an application for joining Original Application filed by IDBI Bank Limited. Notice has been issued to the Borrower.
38. Power Finance Corporation and Ors v. Axis Bank and Ors. - REC along with PFC Ltd and IIFCL have sued Axis Bank Limited (D1) for recovery of Rs.625,09,71,159/- towards damages for loss caused by breach of Trust & Retention Account Agreement (TRA).
39. PFC v. IBPML (through Liquidator) - PFC, REC and IIFCL have filed an application IA 1012 of 2019 before the NCLT, Hyderabad for directing the Liquidator to exclude the amounts alongwith associated rights and privileges, which are subject matter of proceedings under Section 66 of IBC in IA 157 of 2019, from the sale of the Corporate Debtor as a going concern or from the sale of the business(es) of the Corporate Debtor as a going concern.
40. Dumpala Madhusudhan Reddy v. REC; Kanumuru Raghu Rama Raju v. REC; Kanumuru Rama Devi v. REC before High Court of Hyderabad - REC has initiated the process for the “declaration of Wilful Defaulter” against Borrower/Promoters. A Show Cause Notice dated 09.01.2019 by REC was issued to the Borrower Company and its directors, requiring them to explain why they should not be declared as wilful defaulter. Three directors of the company then filed Writ Petition no. 1420, 1421 and 1428 before the Hon’ble Hyderabad High Court. By these Writ Petitions, the Petitioners have challenged the Show Cause Notice dated 09.01.2019 issued by REC and after hearing counsels appearing for the Petitioners, Hon’ble High Court has granted interim stay on further proceedings pursuant to the show cause notice dated 09.01.2019. Thereafter, REC filed three Writ Appeals before the Hon’ble Hyderabad High Court, challenging the order passed by single judge. The Division Bench of High Court did not grant any relief to REC. Then, REC filed three SLPs before the Hon’ble Supreme Court of India, challenging the orders passed by Division Bench in Writ Appeals. Hon’ble SC instructed single judge bench of HC to decide the matter. After hearing all the parties, Hon’ble High court vide its order dated 12.07.2019 decided that the Show Cause Notice issued by REC is valid. The Court further directed that since criminal proceeding are pending, the proceeding of Show Cause Notice be kept on hold till the disposal of the criminal proceeding however, if criminal proceedings initiated are likely to be unduly delayed, it is open for REC to proceed in the matter by granting sufficient time, not less than four weeks to file explanation to the show cause notice by the petitioners. Based on the order passed by Hon’ble court, REC has issued notice to Borrower and its director. Feeling aggrieved from notice, the Ex-Directors of the Borrower have filed contempt petition on 05.02.2020 before the Hon’ble High court. REC has filed its reply and the matter pending for hearing. REC has also filed an application for seeking early hearing of the matter.
41. Rohan Varma Constructions Pvt Ltd v. Ind Barath Power Madras- Liquidator has filed an application before NCLT, Hyderabad seeking permission to draw remuneration of INR 4 lakhs on monthly basis as per the fees approved by the CoC in the 6th CoC. The case set out in the Application is that the Liquidator has been discharging his functions without any remuneration, and the process of liquidation is on hold on account of the

interim order on auction proceedings and therefore the Liquidator seeks to draw remuneration on a monthly basis.

42. PFC vs MAIF Investment India 2 PTE Ltd.- Pursuant to the public announcement of the CIRP, claim of Rs. 1558.72 crores was filed by MAIF 2 in respect of NCD issued by Ind Barath Thermotek Limited and subscribed by MAIF 2. MAIF 2 filed its claim based on the indemnity, joint and several obligations assumed by IBEUL. However, RP rejected its claim. Aggrieved, MAIF 2 filed an application before NCLT Hyderabad seeking directions to RP to admit the claim in the ongoing CIRP and declare him as a Financial Creditor and resultantly, a CoC member. NCLT, Hyderabad dismissed the said application. MAIF2 has thus, gone in appeal to NCLAT against the NCLT order.
43. Corporation Bank vs IBEUL and others - Hon'ble NCLT, Hyderabad vide its order dated 29 August, 2018, initiated the Corporate Insolvency Resolution Process (CIRP) of Borrower. During the CIRP, the qualifying Resolution Plans were put to vote and the CoC by majority approved the plan of JSW Energy Limited for Rs. 1043.60 Crores. JSW's provided for Liquidation Value as the Manner of Distribution of Consideration. But the CoC decided to go forward with Strip Down Value as the Manner of Distribution of Consideration. Accordingly, resolutions were passed approving Strip Down Value as the Manner of Distribution of Consideration and the Plan submitted by M/s. JSW Energy Limited. The Corporation Bank, one of the dissenting creditors, has filed an I.A. challenging the manner of arriving at strip down liquidation value and seeking direction to the RP to provide the 'liquidation value' and not 'strip down value' to Corporation Bank.
44. PNB vs IBEUL and others - Hon'ble NCLT, Hyderabad vide its order dated 29 August, 2018, initiated the Corporate Insolvency Resolution Process (CIRP) of Borrower. During the CIRP, the qualifying Resolution Plans were put to vote and the CoC by majority approved the plan of JSW Energy Limited for Rs. 1043.60 Crores. Now, PNB has filed an application seeking deletion of the condition in para 3.1.4 (a) of the Resolution Plan with respect to amount that may be received out of disputes with TANGEDCO from Arbitration Tribunal or any other judicial authority pursuant to litigation in respect of bank guarantee of Rs. 120.00 Crores. The Resolution Applicant would share 50% of such amount received net of all expenses and taxes with the Secured Financial Creditors, over and above the Upfront Payment to Secured Financial Creditors. Hon'ble NCLT has dismissed the application filed by PNB. Order are awaited.
45. PNB vs IBEUL and others- Hon'ble NCLT, Hyderabad vide its order dated 29 August, 2018, initiated the Corporate Insolvency Resolution Process (CIRP) of Borrower. During the CIRP, the qualifying Resolution Plans were put to vote and the CoC by majority approved the plan of JSW Energy Limited for Rs. 1043.60 Crores. PNB challenges the distribution of funds inter-se the financial creditors that distinguishes between first and second charge holders praying to be treated at par with first charge holder. Hon'ble NCLT has dismissed the application filed by PNB. Order are awaited.
46. RP of IBEUL v. Tata Capital - Tata Capital Financial Services (Tata Capital) had filed an application before NCLT, Hyderabad challenging the decision of the Resolution Professional to treat Tata Capital as 'Operational Creditor' and to reclassify Tata Capital as 'Financial Creditor' with right to be included in the COC. Additionally, Tata Capital prayed for return of Leased Equipment in a working condition after carrying out necessary repairs at the cost of the Corporate Debtor and include the lease rental amount of about INR 1.2 Crores per quarter from the Insolvency Commencement Date till the date of handover of the Leased Equipment, as CIRP costs. On 6 July 2020, NCLT rendered its order in respect of Tata Capital. The following directions were issued to the RP vide the Order:
  - (i). Undertake repair of the railway track, at the cost of the Corporate Debtor, for transportation of the Leased Equipment to Tata Capital in 'as is' condition; and
  - (ii). Include lease rentals for the Leased Equipment from the Insolvency Commencement Date till the date railway tracks are made ready for the removal of the Leased Equipment, in the CIRP Cost of the Corporate Debtor.
  - (iii) The claim of TATA Capital be treated as Financial Creditor instead of Operational Creditor.

RP has filed an appeal against the NCLT Order. CoC has been made Proforma Respondent by NCLT.

47. PNB Vs. KSK Mahanadi before DRT, Hyderabad - The Account is under consortium lending where PFC is the lead lender of consortium. Punjab National Bank on behalf the lenders has filed an application before DRT, Hyderabad against KSK Mahanadi Power Company Ltd. (OA No. 458 of 2019) for recovery of its dues of Rs.916.31 crores. Since REC is also one of the lenders of consortium, REC and other lender are made proforma respondents in the case and no relief is claimed against REC.
48. SBI Vs. KSK Mahanadi before DRT, Hyderabad - The Account is under consortium lending where PFC is the lead lender of consortium. SBI one of the consortium lenders has filed an application before DRT, Hyderabad against KSK Mahanadi Power Company Ltd. For recovery of dues. Since REC is also one of the lenders of consortium, REC and other lender are made proforma respondents in the case and no relief is claimed against REC.
49. IOB Vs. KSK Mahanadi - The Account is under consortium lending where PFC is the lead lender of consortium. IOB has filed an application before DRT, Chennai against KSK Mahanadi Power Company Ltd. For recovery of dues. Since REC is also one of the lenders of consortium, REC and other lender are made proforma respondents in the case and no relief is claimed against REC.
50. Consortium of World Windows v/s Axis Bank and Others before Delhi High Court - Consortium of lenders lead by Axis Bank has granted loan to Jhabua Power Limited (Borrower). Due to default in repayments, lenders explored the option of change in promoter (outside NCLT) and identified the petitioner as successful bidder and issued LOI subject to fulfilment of certain conditions. As part of the said process, petitioner furnished a Bank Guarantee of Rs. 100 Crore in favour of lenders. However due to non-fulfilment of the conditions of LOI, lenders decided to proceed with cancellation of LOI and invocation of Bank Guarantee. This action of lenders has been challenged by the petitioner before the High Court by filing a writ petition. However the Writ Petition was dismissed by High Court and Petitioner has filed an appeal before the Division Bench of High court challenging the dismissal of Writ Petition with a prayer to quash the lenders action to proceed fro invocation of BG. Division Bench has stayed invocation of BG and matter is posted for hearing. Since REC is a lender and beneficiary of said BG, REC has been made a proforma respondent.
51. SBI v. BVPL - The Original Application has been filed before DRT, Chennai by SBI and Syndicate Bank against BVPL for recovery of sum of Rs. 296 Crores and 34 Crores respectively with pendentelite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent 5.
52. PFC Ltd Vs. Lanco Amarkantak Power Ltd. - PFC as Lead Lender has filed an application along with consortium lenders has filed the OA before DRT, Delhi seeking recovery of dues and REC outstanding is Rs. 2891,88,76,194.00
53. REC Vs. Classic Global Securities Limited - REC filed an OA No.344/99 before DRT, Delhi against Classic Global for recovery its outstanding dues. Presiding officer has issued the Recovery certificate of Rs.3,64,85,021/- along with interest @ 10% P.A w.e.f 17.8.99 till realization. REC has already sold the mortgaged assets and further recovery proceedings are continued against the Guarantors & other assets of company. Presently REC is in process to recover its dues through RO. Ld. Recovery Officer ordered for sale of certain moveable items attached by the court.
54. REC Vs ATN Arihant International Ltd - REC filed OA No.342/99 before DRT, Delhi against ATN Arihant International Ltd for recovery its outstanding dues. Presiding officer has issued the Recovery certificate of Rs.11,26,94,699 along with interest @ 14% w.e.f. 17.8.99 till realization in the matter and REC is in process to recover its dues through Recovery Officer (RO). All the mortgaged assets of the company were sold through DRT and amount realized was appropriated by REC. Presently recovery proceedings are continuing against the Guarantors and other assets of the company.

55. REC VS. M/s Silicon Valley Infotech Ltd - REC filed an OA No.343/99 before DRT, Delhi against Silicon Valley Ltd for recovery its outstanding dues. Presiding officer has issued the Recovery certificate of Rs. 368,86,279/- along with interest @ 14% w.e.f. 17.8.99 till realization in the matter and REC is in process to recover its dues through RO. All the mortgaged assets of the company were sold through DRT and amount realized was appropriated by REC. Presently recovery proceedings are continuing against the Guarantors and other assets of the company.

56. REC Vs. Lynx India Ltd.- REC filed an OA No.44/01 before DRT Delhi against Lynx India Ltd for recovery its outstanding dues. Presiding officer has issued the Recovery certificate of Rs. 2, 47, 54,557 along with interest @ 10% w.e.f. 1.2.2001 till realization in the matter and REC is in process to recover its dues through RO.

iii. *Tax Litigations*

S. No.	Type of Tax Proceedings	Total number of cases	Amount involved (in crore)
1.	Direct Tax	20	322.32
2.	Indirect Tax	1	0.37
	Total	21	322.69

*\*Provided that for the purpose of disclosure of material civil cases for REC, we have considered 1% of PAT of REC for Fiscal 2020 i.e.48.86 crore considering that REC is a material subsidiary of our Company.*

*\*Status of legal litigation cases examined with respect to amount under litigation only as per the data provided by the management of the Company.*

**III. Outstanding litigations involving our Directors\***

**a. Litigation against our Directors**

*i. Criminal Proceedings*

There are no pending criminal proceedings against our Directors.

*ii. Material Civil Cases*

There are no pending Material Civil Cases against our Directors.

*iii. Tax Litigations*

There are no pending tax litigations against our Directors.

**b. Litigation filed by our Directors**

*i. Criminal Proceedings*

There are no pending criminal proceedings by our Directors.

*ii. Material Civil Cases*

There are no pending Material Civil Cases by our Directors.

*\*Status of legal litigation cases examined with respect to amount under litigation only as per the data provided by the management of the Company.*

**IV. Outstanding litigations involving our Promoter and Group Companies**

Since our Promoter is the Government of India acting through and represented by Ministry of Power, GoI, no litigations can be disclosed involving the Promoter. Further, the requirement of disclosing details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter, is also not applicable. Further, the Company does not have any Group Companies.

## **V. Adverse findings against our Company as regards compliance with the securities laws**

1. Mr. Praveen Kumar Singh, Director (Commercial) of the Company, vide his letter dated October 19, 2020 had informed that he had inadvertently purchased 5,000 equity shares of Power Finance Corporation Limited on October 5, 2020, during the trading window closure period. The matter was considered at the Meeting of Board of Directors held on November 12, 2020 wherein the Board decided that Mr. Praveen Kumar Singh, Director (Commercial) should dispose the 5,000 equity shares of Power Finance Corporation Limited, purchased by him on October 5, 2020 during the period of closure of Trading Window immediately but not later than 7 days and the profit, if any, arising out of the said transaction including by way of any corporate action be remitted to Power Finance Corporation Limited, for remitting the same to SEBI for credit to IEPF. As per directions of the Board of Directors in the Meeting held on November 12, 2020, he disposed off the 5,000 equity shares of PFC on November 14, 2020 and furnished a cheque of Rs. 70,556/- dated November 16, 2020, being the penalty amount equivalent to the amount of profit earned against this transaction. Further, in compliance with SEBI Circular dated July 23, 2020, it is informed that PFC has transferred the said amount of Rs. 70,556/- to the dedicated Bank Account of SEBI (Investor Protection and Education Fund) on November 24, 2020 vide UTR N329201317989396.

It is also informed that, vide his letters dated October 20, 2020 and October 28, 2020, Mr. Praveen Kumar Singh had informed the Company that he had inadvertently purchased 2,500 equity shares of REC Limited on October 5, 2020, during the trading window closure period. In this regard, the disclosure as prescribed vide SEBI Circular dated July 23, 2020 was provided .

In this regard, it is informed that as per directions of the Board of Directors in the Meeting held on November 6, 2020, he has disposed off 2,500 equity shares of REC on November 11, 2020 and furnished a cheque of Rs. 34,855/- dated November 13, 2020, being the penalty amount equivalent to the amount of profit earned against this transaction. Further, in compliance with SEBI Circular dated July 23, 2020, it is informed that REC has transferred the said amount of Rs. 34,855/- to the dedicated Bank Account of SEBI (Investor Protection and Education Fund) on November 20, 2020 vide UTR N325201315170646.

2. The Company is in receipt of a letter from NSE bearing no. NSE/LIST-SOP/COMB/FINES/0810 dated November 17, 2020 and an email from BSE dated November 17, 2020 levying fine on the Company for non-compliance in regard to Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 30, 2020. The Company vide its letters dated November 19, 2020 to NSE and BSE has requested NSE and BSE to withdraw the said letters imposing fine. Further, a letter dated November 06, 2020 from Mr. Ravinder Singh Dhillon, CMD, PFC addressed to Secretary (Power) has also been sent requesting to expedite the process of appointment of requisite number of Independent Directors on the Board of the Company.

## **VI. Proceedings initiated against our Company for economic offences**

There are no proceedings initiated against our Company for any economic offences.

## **VII. Material frauds committed against our Company**

*There has been no material fraud conducted against us in the last five years immediately preceding the date of this Shelf Prospectus except as disclosed below:*

1. PFC had sanctioned Term Loan for consortium lending facility to Ind Barath Power (Madras) Limited (“**IBPML**”) for developing 660 MW Coal based Thermal Project in Tuticorin District, Tamil Nadu. Our Company is the Lender's Agent and Security Agent under the consortium. The project was declared as Non-Performing Asset by our Company. The matter was reported to RBI and Law Enforcement Agencies including EOW. The matter was later on transferred to CBI for further investigation. Meanwhile, Forensic Audit was also conducted by the Lenders and it was reported thereunder that there are instances of mis-utilisation of project funds by the borrower to meet the shortfall in cash flows of its other group companies. Further, some part of the project funds were paid by the borrower company to some of the project contractors as advances which were also reported to have been diverted to group companies through the creation of fixed deposits.

On February 8, 2018, lenders jointly filed criminal complaint at Economic Offences Wing (EOW), Delhi Police. The EOW has registered an FIR No. 0196 dated October 3, 2018 with respect to the complaint filed. For investigation of case, the EOW vide letter dated December 5, 2018 has asked additional documents/information, which have been provided. CBI, vide Notice No. RCBD1/2019/E0003 dated May 8, 2019, received on June 4, 2019, has sought documents in original, related to subject project. The same have been provided to CBI.

Further, IBC proceedings for initiation of CIRP against IBPML was also initiated. However, no viable plan was finalized to the acceptance of the committee of creditors till the expiry of CIRP period on October 11, 2018. Subsequently, the resolution professional filed a petition in the NCLT for liquidation of the company which was thereafter approved by NCLT vide order dated April 22, 2019. PFC has filed its claim with the liquidator and the liquidation proceeding have commenced.

On February 15, 2019, an application was filed by the Resolution Professional (“RP”) seeking classification of inter-corporate loan transactions including transactions done through Sokeo under Section 66 of the IBC and directions to directors/ ex-directors of IBPML and its group companies to contribute to its assets. Pursuant to the order passed by NCLT dated May 8, 2018, the RP has requested for information many times from ex-management of IBPML and directors of its group companies. However no response/ information was received by the RP. The RP has filed a contempt application before NCLT seeking appropriate direction to the group companies of IBPML and their directors. Accordingly, the RP has filed said application and he is in discussion with the ex-management regarding providing requisite information. The RP has also filed an Application seeking directions to the group companies not to utilize the amounts received/receivable from TANGEDCO in pursuance of the NCLAT order dated May 29, 2018 and to pass orders directing the transfer of the same to the account of the Corporate Debtor. Further, pursuant to relinquishment of security interest by the Lenders, Liquidator has initiated sale process of the assets. Lenders have filed Application challenging the mode of sale. The aforesaid applications are pending for hearing on December 17, 2020.

Axis Bank and Runh Power have filed appeal before NCLAT against order dated September 12, 2018 passed by NCLT, Hyderabad, whereby it directed Axis Bank to act on the instructions of the RP to invoke the bank guarantee no. 37003020000267 dated November 25, 2011 of USD 6,846,000 as issued by China Construction Bank Corporation, Shan Dong Branch, China. The NCLAT had directed Axis Bank to send the BGs to Chinese Bank for invocation, however, Runh Power has filed a case before Chinese Court and obtained an Injunction Order in its favour which restrained China Construction Bank to not to honour invocation of Bank Guarantee. This Order was challenged by RP which was also decided in favour of Runh Power.

Further, lenders have decided to file a civil suit for recovery of damages against the TRA Banker Axis Bank Limited for non-performance of its obligation under TRA agreement. The Civil suit has been filed on April 2, 2019 before Delhi High Court. Civil Suit was filed by lenders against Axis Bank, is now pending hearing. The lenders have also decided to file petition at NCLT Hyderabad against acceptance of claim of Axis Bank as Financial Creditor. The same became infructuous on pronouncing liquidation order dated April 22, 2019.

2. PFC sanctioned a term loan to Konasema Gas Power Limited (“KGPL”) under consortium lending facility with IDBI Bank Limited as the Lead Lender. The project has been classified as 'Doubtful Asset' by PFC. In the forensic audit report, instances were reported regarding fraudulent encashment, diversion of funds and manipulation of books of accounts and conversion of property. The matter was duly reported to RBI for alleged fraud. The DO letter and FMR-1 has been sent to RBI on 30.05.2019. Subsequently, PFC has also submitted FMR-2 and 3 reports to RBI. IDBI Bank Limited has filed complaint with CBI on August 5, 2019 on behalf of all the Lenders in the capacity of Lead Lender. Further, IDBI Bank subsequently filed revised joint complaint for fraud with CBI on June 12, 2020. However, CBI, vide letter dated September 7, 2020 has informed IDBI Bank that the complaint filed by the lenders was in the context of fraud under the Companies Act only. As no cognizable offence was reported under IPC, the FIR could not be registered. In the joint lenders meeting held on October 16, 2020 and also attended by the LLC, it was decided that a supplementary legal opinion will be provided by the LLC commenting on the irregularities under the IPC. Thereafter, the revised complaint will be submitted by the lead lender to CBI.

Further, IBC proceedings for initiation of CIRP against KGPL had also been initiated by IDBI Bank Limited to which PFC is also a Party. Details of the above are provided in the section ‘*Material Civil Cases*’ filed by our Company. The project was admitted in NCLT on December 18, 2018. One resolution plan was received from Amaravathi Textiles Private Limited, which was noncompliant Plan and therefore was not put for voting of

CoC. The RP filed liquidation petition on September 13, 2019. Subsequently, the unsuccessful Resolution Applicant, Amravathi Textiles filed an Interim Application on October 22, 2019 before NCLT informing that they are ready to remove the conditional clause and to review the plan. Subsequently, the revised plan was also found to be non-compliant and same was rejected by RP without voting of CoC in the reply filed on November 21, 2019, along with proposal for liquidation. NCLT has issued the liquidation order vide its order dated February 20, 2020 and appointed Mr. K S Ramesh as Liquidator for the project. The Liquidator has issued notice for sale of the project as a going concern on November 28, 2020.

The Company is maintaining accounts with banks other than TRA into which Rs.334.09 Crore was received. Out of these receipts, the company has not routed Rs.109.02 Crore through TRA Account.

There was misrepresentation in terms of equity contribution of Rs.60 Crore by Peninsular Sea Food Pvt Ltd (PSFPL) wherein no money towards equity was paid by PSFPL nor any supply of material was undertaken. Company could not produce any genuine document/invoices to establish the veracity of the transaction.

3. PFC sanctioned a term loan to Jas Infrastructure & Power Limited (“**J IPL**”) under consortium lending facility with Axis Bank Limited as the Lead Lender. Axis Bank subsequently transferred its loan to ACRE Limited. PFC has classified the loans as 'Loss Asset'. In the forensic audit report, instances were reported regarding diversion and siphoning - off funds. Further, JIPL transferred the borrowed funds (disbursed by the lenders) to Abhijeet Projects Ltd., subsidiary of Abhijeet Ventures Ltd (ultimate holding company of Borrower Company). Abhijeet Projects then invested in its two subsidiary companies i.e. Abhijeet Logistics Ltd. (registered in Hong Kong) and Abhijeet Enterprise Ltd. Abhijeet Projects Ltd. invested in Abhijeet Enterprise Ltd. for which the debentures of Rs. 3861.91 crores were issued. Abhijeet Enterprise Ltd. utilised Rs.3644.36 crores in purchase of equity shares of 845 companies and transferred Rs. 218 crores as application money to the ultimate holding company, Abhijeet Ventures Limited. Few companies out of these 845 companies subscribed for shares to become shareholders of the ultimate holding company. The borrowed funds have been moved from the borrower to group companies without creating any assets as per the terms and conditions of the lenders for the project. It was concluded that there is siphoning of funds borrowed from Banks and Financial Institutions utilized for the purposes other than that it was borrowed.

Based on legal opinion on the forensic audit report, PFC has recognized JIPL account as a fraud account on April 15, 2019. The fraud was reported to RBI vide DO letter dated April 26, 2019. The FMR-1 was filed on May 08, 2019 with RBI. Further, information regarding FMR- 2 & 3 are being provided regularly. PFC's Board of Directors (386<sup>th</sup> Meeting held on May 17, 2019) and Audit Committee of Directors (110<sup>th</sup> Meeting held on May 16, 2019) took note of the fraud account. PFC had filed complaint with CBI, New Delhi on July 2, 2019. Subsequently, based on advice of CBI, Ranchi modified complaint has been filed with CBI, Ranchi on November 25, 2019.

Further, PFC and other Lenders have taken various recovery actions including DRT and IBC proceedings. Status of the same before DRT, SARFAESI & NCLT are given below:

- (i) DRT: Various suits have been filed by lenders with DRTs across the country. PFC has become co-applicant in the suit filed by ACRE (Original Application 353/2016) in DRT, Delhi. The OA was last listed on December 9, 2020 and has been adjourned to January 3, 2021 due to Covid Pandemic. Matter is listed for arguments.
- (ii) SARFAESI: PFC has provided its authorization/ mandate to PNB for taking action under Section 13(4) of SARFAESI Act.
- (iii) NCLT: During the 5<sup>th</sup> CoC meeting held on February 26, 2020, the CoC agreed for Liquidation since no resolution plan was received. The Liquidation Application was filed by RP with the NCLT-Kolkata through e-mail on June 4, 2020. NCLT Kolkata vide order dated July 17, 2020 directed for liquidation of Jas Infrastructure and Power Ltd (JIPL) and appointed Sh. Kannan Tiruvengadam as the liquidator. As per the NCLT Order dated July 17, 2020, the moratorium passed under Section 14 of the IBC ceases to have effect and a fresh moratorium under section 33 (5) shall commence. Further, PFC had filed the Form D for liquidation on August 17, 2020. The liquidator has admitted claim amount of Rs. 520.82 Crores for



PFC (which consists of the principal amount of Rs. 239.36 Crores and interest amount of Rs. 281.42 Crores and other expenses of Rs. 0.04 Crore) after due verification as per Section 39 of the Code.

**Details of Inquiries, Inspection or Investigation under the Companies Act, 2013 or any previous Companies Law against our Company and our Subsidiaries**

*There has been no inquiry, inspections or investigations initiated or conducted against us under the Companies Act, 2013 or any previous companies law in the last five years immediately preceding the date of this Shelf Prospectus against our Company.*

**MATERIAL DEVELOPMENTS**

Except as mentioned in this Shelf Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing this Shelf Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue is being made pursuant to the resolution passed by the Board on February 12, 2020.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of the Company at the Annual General Meeting of the Company on September 29, 2020.

### **Eligibility to make the Issue**

Our Company, the persons in control of our Company, our Directors or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Neither our Company nor our Directors is a Wilful Defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

### **Consents**

Consents in writing of the Directors, the Chief Financial Officer / Director (Finance), the Company Secretary and Compliance Officer of the Company, the Statutory Auditors, Bankers to the Company, Lead Managers, Registrar to the Issue, legal counsel to the Issue, Credit Rating Agencies, CARE Ratings Limited for the use of the reports titled (i) The Indian Power Sector (Economics) in 2019-20 dated March 31, 2020; (ii) Power sector update (Economics) dated November 9, 2020; (iii) Oil and Gas FY20 update and FY21 outlook (Industry Research) dated May 18, 2020; (iv) Coal Update – October 2020; (v) Coal Update (Industry Research) – June 2020 dated June 15, 2020; (vi) Natural Gas H1-FY21 update (Industry Research) dated October 22, 2020 and (vii) Crude Oil H1-FY21 update (Industry Research) dated October 22, 2020, Bankers to the Issue, Consortium Members and the Debenture Trustee, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC.

Our Company has appointed Beacon Trusteeship Limited as the Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment as Debenture Trustee to the Issue, pursuant to regulation 4(4) of the SEBI Debt Regulations and for its name to be included in this Shelf Prospectus, Shelf Prospectus, Tranche Prospectus(es), and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed as Annexure B.

### **Expert Opinion**

Except for the consent of (i) the Statutory Auditors dated December 30, 2020, to include their respective names as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Shelf Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013 in relation to their examination reports, dated December 30, 2020, on Reformatted Consolidated Financial Information under IGAAP, the Reformatted Consolidated Financial Information under IND-AS, the Reformatted Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP; (ii) the Statutory Auditors in their report dated December 30, 2020, on the statement of tax benefits, and (iii) the limited review report dated November 12, 2020, on the Limited Review Financial Results, included in this Shelf Prospectus, our Company has not obtained any expert opinions in respect of the Issue.

### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS**

AMENDED AND IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND, JM FINANCIAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 11, 2021 WITH THE FOLLOWING INFORMATION:

1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE WILL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.
3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS OR COMPLAINTS ON THE DRAFT PROSPECTUS DATED DECEMBER 31, 2020 FILED ON THE WEBSITE OF BSE LIMITED (THE DESIGNATED STOCK EXCHANGE).

#### Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL DATED JANUARY 07, 2021 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT

**HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

#### **Disclaimer Clause of RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 10, 1998 BEARING REGISTRATION NO 14.00004 AND CERTIFICATE OF REGISTRATION DATED JULY 28, 2010 BEARING REGISTRATION NO B-14.00004 CLASSIFYING THE COMPANY UNDER THE CATEGORY NBFC AND NBFC-ND-IFC. HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.**

#### **Disclaimer in Respect of Jurisdiction**

The Issue is being made in India, to investors from Category I, Category II, Category III and Category IV. This Shelf Prospectus will not, however constitute an offer to sell or an invitation to subscribe to the NCDs offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession of this Shelf Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

#### **Guarantee or Letter of Comfort**

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

#### **Arrangers**

No arrangers have been appointed for this Issue.

#### **Minimum Subscription**

Under the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% (i.e. Rs. 375 Crores) of Base Issue Size prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate prescribed under applicable laws.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”) and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”).

#### **Filing of the Draft Shelf Prospectus**

A copy of the Draft Shelf Prospectus dated December 31, 2020 has been filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website and with SEBI.

#### **Filing of the Shelf Prospectus and Tranche Prospectus with the RoC**

A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

### **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any listed non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Recovery Expense Fund**

Our Company undertakes to create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

### **Underwriting**

This Issue shall not be underwritten.

### **Identification as Wilful Defaulter**

Neither our Company or any of our Directors have been identified as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI/ECGC or any other governmental authority nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

### **Change in Auditors of our Company during the last three years**

The following are the details of change in the auditors of our Company during the last three years:

S. No.	Financial Year	Name	Address	Date of Appointment/ Cessation	Auditor of the Company since (in case of Cessation)	Remark (if any)
1.	2019- 20	M/s Dass Gupta & Associates Chartered Accountants, ICAI Firm Registration: 000112N	NDG Center, B-4, Gulmohar Park, New Delhi 110049	August 1, 2019	-	Appointed by the CAG.
2.	2018- 19	M/s Gandhi Minocha & Co. Chartered Accountants, ICAI Firm Registration: 000458N	B-6, Shakti Nagar Extension, New Delhi – 110052	July 11, 2017	-	Appointed by the CAG.
3.	2018-19	M/s M.K. Aggarwal & Co., Chartered Accountants ICAI Firm Registration: 01411N	30, Nishat Kunj, Pitam Pura, New Delhi-110034	Ceased to be the statutory auditor w.e.f. AGM for Fiscal 2019 i.e. August 27, 2019.	Auditors are appointed by CAG for a financial year and first time M.K. Agarwal & Co. was appointed PFC's auditors on July 12, 2016	The CAG communicated the change of auditors vide letter dated July 12, 2016
4.	2017-18	M/s K.B. Chandna & Co., Chartered Accountants ICAI Firm Registration: 00862N	E-27, South Extension Part-II, New Delhi-110049	Ceased to be the statutory auditor w.e.f. date of AGM i.e. September 11, 2018	Appointed on July 29, 2013	The CAG communicated the change of auditors vide letter dated July 12, 2016

### Revaluation of Assets

Our Company has not revalued its loan assets in the last five Fiscal Years.

### Reservation

As specified in the relevant Tranche Prospectus.

### Reservations or Qualifications or Adverse Remarks of Auditors

There have been no reservations of qualifications or adverse remarks of auditors in the last five Financial Years.

### Statement by the Board of Directors

- (i) All monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;
- (ii) Details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
- (iii) Details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested; and

- (iv) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

### **Track Record of Past Public Issues handled by the Lead Managers**

The track record of past public issues handled by Trust Investment Advisors, A.K. Capital, Edelweiss, and JM Financial are available at [www.trustgroup.in](http://www.trustgroup.in), [www.akgroup.co.in](http://www.akgroup.co.in), [www.edelweissfin.com](http://www.edelweissfin.com), and [www.jmfl.com](http://www.jmfl.com) respectively.

### **Listing**

The NCDs will be listed on BSE. BSE is the Designated Stock Exchange. BSE has given in-principle listing approval through their letter dated January 07, 2021.

If the permission to list and trade the NCDs has not been granted by the Stock Exchange(s), our Company shall repay all such moneys received from the Applicant in pursuance of the Shelf Prospectus and relevant Tranche Prospectus in compliance with applicable law. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange(s) will be taken within six Working Days from the Issue Closing Date for the respective Tranche Issue.

### **Previous Issue**

Except as stated in the sections titled “*Capital Structure*”, and “*Financial Indebtedness*” on pages 43 and 150 of the Shelf Prospectus, respectively, our Company has not made any other issue of non-convertible debentures. The proceeds from the previous issuance of non-convertible debentures by the Company have been utilised, *inter alia*, to augment long-term resources of the Company for the purpose of carrying out its functions authorized under the object clause of the Memorandum of Association of the Company. Other than as specifically disclosed in this Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

### **Utilisation of proceeds of previous issues by our Company**

Since the initial public offering of our Company in FY 2007 and the further public offering in FY 2011- 2016 our Company has not made any public issues of Equity Shares.

Details of utilization of proceeds of previous public issues of debentures by our Company are as follows:

1. Our Company came out with a public issue of long-term infrastructure bonds of face value of ₹ 5,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount upto ₹ 5,300.00 crore in February, 2011. The amount mobilised through this issue was ₹ 235.36 crore. These long term infrastructure bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on February 24, 2011 and closed on March 22, 2011. The date of allotment and the date of refund was March 31, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on April 11, 2011 on BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

2. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 200.00 crore with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 6,900.00 crore) in September 2011. The amount mobilised through this issue was ₹ 95.64 crore. These long term infrastructure bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on September 29, 2011 and closed on November 4, 2011. The date of allotment was November 21, 2011 and the date of refund was November 23, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on December 02, 2011 on BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

3. Our Company came out with a public issue of tax free bonds of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000.00 crore with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4,033.13 crore) in December, 2011. These tax free bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on December 30, 2011 and closed on January

16, 2012. The date of allotment was February 1, 2012 and the date of refund was February 3, 2012. The tax free bonds offered pursuant to such issue were listed on February 14, 2012 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

4. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1,000.00 crore with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4,590.00 crore) in December, 2012. These tax free bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on December 14, 2012 and closed on December 27, 2012. The date of allotment was January 4, 2013 and the date of refund was January 7, 2013. The tax free bonds offered pursuant to such issue were listed on January 10, 2013 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

5. Our Company came out with a public issue of tax free bonds tranche - II of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 3,890.25 crore) in February, 2013. These tax free bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on February 18, 2013 and closed on March 19, 2013. The date of allotment was March 28, 2013 and the date of refund was March 30, 2013. The tax free bonds offered pursuant to such issue were listed on April 03, 2013 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

6. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 3,875.90 crore) in October 2013. These tax free bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on October 14, 2013 and closed on November 5, 2013. The date of allotment was November 16, 2013 and the date of refund was November 16, 2013. The tax free bonds offered pursuant to such issue were listed on November 19, 2013 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

7. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1,000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crore with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 600.00 crore) in September 2015. These tax free bonds are outstanding as on the date of this Shelf Prospectus. The issue opened on October 5, 2015 and closed on October 6, 2015. The date of allotment was October 17, 2015 and the date of refund was October 19, 2015. The tax free bonds offered pursuant to such issue were listed on October 20, 2015 on the BSE.

Utilization of the issue proceeds: The issue proceeds have been utilized in accordance with the objects of the issue.

#### **Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years**

There are no listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Shelf Prospectus.

#### **Utilisation of proceeds by our Group Companies**

Other than our Subsidiaries, our Company does not have any Group Companies. Further, till March 31, 2020, the proceeds of public capital issuances by REC Limited, have been utilised for the purposes for which such funds have been raised. The issue proceeds have been utilized in accordance with the objects of the relevant issue.

#### **Our lending policies**

For details in relation our lending policies, please see “Our Business – Risk Management” and “Our Business – Project and Entity Appraisal Process” on pages 99 and 103 of this Shelf Prospectus respectively.

#### **Loans advanced by the Company**



**A. Types of loans**

Type of loans/advances (principal outstanding) given by the Company as on March 31, 2020:

S. No	Type of loan	Amount (₹in crore)	Percentage (%)
1	Secured	286595.30	83.09%
2	Unsecured	58309.27	16.91%
	<b>Total AUM</b>	<b>344904.57</b>	<b>100.00%</b>

Types of loans according to sectoral exposure as on March 31, 2020 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
<b>1</b>	<b>Retail</b>	
a	Mortgages (home loans and loans against property)	N.A.
b	Gold loans	N.A.
c	Vehicle finance	N.A.
d	MFI	N.A.
e	M&SME	N.A.
f	Capital market funding (loans against shares, margin funding)	N.A.
h	Others	N.A.
<b>2</b>	<b>Wholesale</b>	
a	Infrastructure	N.A.
b	Real estate (including builder loans)	N.A.
c	Promoter funding	N.A.
d	Any other sector (as applicable)	N.A.
<b>3</b>	<b>Others</b>	
a	Generation	58.04%
b	Renewable	10.73%
c	Transmission & Distribution	30.46%
d	Others	0.78%
	<b>Total</b>	<b>100.00%</b>

Denomination of loans outstanding by ticket size as on March 31, 2020:

S. No	Ticket size (at the time of origination)*	Percentage of AUM
1.	Up to ₹ 2 Lakh	N.A.
2.	₹2-5 Lakh	N.A.
3.	₹5-10 Lakh	N.A.
4.	₹10-25 Lakh	N.A.
5.	₹25-50 Lakh	N.A.
6.	₹50 Lakh - 1 Crore	N.A.
7.	₹1-5 Crore	0.00%
8.	₹5-25 Crore	0.09%
9.	₹25-100 Crore	0.58%
10.	>₹100 Crore	99.33%
	<b>Total</b>	<b>100.00%</b>

\* The above information is provided at a borrower level and not on the basis of loan accounts

Denomination of loans outstanding by LTV\* as on March 31, 2020: Not applicable\*\*

S. No	LTV	Percentage of AUM
1.	Up to 40%	-
2.	40-50%	-
3.	50-60%	-
4.	60-70%	-
5.	70-80%	-

S. No	LTV	Percentage of AUM
6.	80-90%	-
7.	>90%	-
<b>Total</b>		-

\*LTV at the time of origination.

\*\* Our Company's lending policy does not evaluate loans based on LTV, given the nature of wholesale lending that our Company provides. Consequently, calculation based on LTV is not applicable to our Company.

Geographical classification of borrowers as on March 31, 2020:

S. No.	Top 5 states / region*	Percentage of AUM
1.	Telangana	12.76%
2.	Tamil Nadu	12.62%
3.	Uttar Pradesh	11.54%
4.	Rajasthan	11.15%
5.	Andhra Pradesh	9.37%
<b>Total</b>		<b>57.44%</b>

\*Includes only state sector borrowers.

Further, for details in relation to loans given by the Company to associates, companies/entities/persons relating to Board, senior management, Promoter, or the other parties covered in the register maintained under Section 189 of the Companies Act, 2013, please refer to the section titled "Financial Statements" beginning on page 379 of the Shelf Prospectus.

**B. Aggregated exposure to top 20 borrowers with respect to concentration of advances (principal amounts outstanding) as on March 31, 2020**

Aggregated Exposure to Top 20 Borrowers (Concentration of advances)	Amount
Total Advances to twenty largest borrowers (in ₹in crore)	<b>2,06,588.74</b>
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	<b>59.90%</b>

**C. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2020**

Aggregated Exposure to Top 20 Borrowers (Concentration of exposures)	Amount*
Total exposure to twenty largest borrowers / customers (in ₹in crore)	<b>2,06,588.74</b>
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	<b>59.90%</b>

\*As per IND-AS balances

**D. Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines**

Movement of gross Stage-3 Assets*	Amount (₹in crore)**
(a) Opening balance	29,540.31
(b) Additions during Financial Year ended on March 31, 2020	1045.69
(c) Reductions during Financial Year ended on March 31, 2020	(2714.30)
(d) Closing balance	27,871.70

\* As per the ECL Model

\*\*As per IND-AS balances.

Movement of provisions for gross Stage-3 Assets (in accordance with ECL Model)	Amount (₹in crore)*
(a) Opening balance	<b>15,021.01</b>
(b) Provisions made during the Financial Year ended on March 31, 2020	<b>957.21</b>
(c) Write-off / write -back of excess provisions	(1410.39)
(d) Closing balance	<b>14,748.46</b>

\*As per IND-AS balances

**E. Segment – wise Gross Stage-3 Assets as on March 31, 2020**

S. No	Segment- wise breakup of AUM	Percentage of AUM
<b>1</b>	<b>Retail</b>	
a	-Mortgages (home loans and loans against property)	N.A.
b	-Gold loans	N.A.
c	- Vehicle finance	N.A.
d	-MFI	N.A.
e	-M&SME	N.A.
f	-Capital market funding (loans against shares, margin funding)	N.A.
h	-Others	N.A.
<b>2</b>	<b>Wholesale</b>	
a	-Infrastructure	N.A.
b	-Real estate (including builder loans)	N.A.
c	-Promoter funding	N.A.
d	-Any other sector (as applicable)	N.A.
<b>3</b>	<b>Others</b>	
a	Generation	85.90%
b	Renewable	1.22%
c	Transmission & Distribution	9.60%
d	Others	3.28%
	<b>Total</b>	<b>100.00%</b>

**F. Classification of borrowings as on March 31, 2020 (outstanding principal amounts)**

S. No	Type of Borrowings	Amount (₹in crore)	Percentage
1	Secured	25317.28	8.34%
2	Unsecured	278134.88	91.66%
	<b>Total</b>	<b>303452.16</b>	<b>100%</b>

**G. Promoter Shareholding**

Please refer to the chapter “Capital Structure” on page 43 of the Shelf Prospectus for details with respect to Promoter shareholding in our Company as on December 31, 2020.

**H. Maturity pattern of certain items of assets and liabilities on a standalone basis as on March 31, 2020**

(₹ in crore)

Bucket As at 31.03.2020	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
<b>Upto 30/31 Days</b>	0.00	1,529.70	8,046.86	0.00	5.40
<b>Over 1 Month upto 2 Month</b>	1519.90	492.70	5,988.50	0.00	0.00
<b>Over 2 Months upto 3 Month</b>	0.00	416.63	10,845.00	0.00	6.09
<b>Over 3 Month &amp; upto 6 Month</b>	0.00	3,511.49	17,351.67	0.00	1,130.79
<b>Over 6 Month &amp; upto 1 Year</b>	0.00	18,837.19	5,305.25	0.00	2,156.10

<b>Over 1 Year &amp; upto 3 Years</b>	0.00	59,187.06	57,474.09	0.00	11,493.88
<b>Over 3 Years &amp; upto 5 Years</b>	0.00	56,046.51	60,813.03	0.00	10,231.67
<b>Over 5 Years</b>	14,953.42	1,90,314.82	90,071.03	0.00	22,676.86
<b>Total</b>	<b>16,473.32</b>	<b>3,30,336.10</b>	<b>2,55,895.43</b>	<b>(0.00)</b>	<b>47,700.79</b>

#### **I. Onward lending to borrowers forming part of the “group” as defined by RBI**

There is no onward lending to borrowers forming part of the “group” as defined by RBI.

#### **Mechanism for redressal of investor grievances**

KFin Technologies Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. Pursuant to the Registrar Agreement, our Company will provide for retention of records with the Registrar for a period of at least eight years from the last date of despatch of the letters of allotment, demat credit and refund credit to enable the investors to approach the Registrar for redressal of their grievances.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer of the Company giving full details of the Applicant (including the DP ID, Client ID and PAN), number of NCDs applied for, amount paid on application series or option applied for and Member of the Consortium or Trading Member or SCSB to which the application was submitted.

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

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of the Registrar to the Issue are as follows:

#### **KFin Technologies Private Limited(formerly known as Karvy Fintech Private Limited)**

Selenium Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally

Hyderabad Rangareddy, Telangana– 500 032

Telephone: +91 40 6716 2222

Facsimile: +91 40 2343 1551

Email: pfc.ncd2020@kfintech.com

Investor Grievance Email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: Mr. M. Murali Krishna

SEBI Registration No.: INR000000221

CIN: U72400TG2017PTC117649

## SECTION VII – ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” and “*Issue Procedure*” on pages 266 and 279 of the Shelf Prospectus, respectively.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, 2013, the RBI Act, the terms of this Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

<b>Issuer</b>	Power Finance Corporation Limited
<b>Type of instrument</b>	Secured redeemable non-convertible debentures
<b>Nature of instrument / Seniority</b>	Secured redeemable non-convertible debentures
<b>Mode of issue</b>	Public issue
<b>Eligible Investors</b>	See the section titled “ <i>Issue Procedure</i> ” on page 279
<b>Listing</b>	The NCDs shall be listed on the Stock Exchange within six Working Days from the Issue Closing Date.
<b>Rating of the instrument</b>	‘CARE AAA; Stable’ by CARE; ‘CRISIL AAA / Stable’ by CRISIL; and ‘[ICRA]AAA(Stable)’ by ICRA.
<b>Issue size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Option to retain oversubscription</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Objects of the Issue</b>	See the section titled “ <i>Objects of the Issue</i> ” on page 59
<b>Details of utilization of proceeds</b>	See the section titled “ <i>Objects of the Issue</i> ” on page 59.
<b>Coupon rate</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Step up or step down coupon rates</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon payment frequency</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon payment dates</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon type</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon reset process</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated or prescribed under applicable laws. If the Issuer fails to execute the trust deed within the stipulated regulatory timeframe, it shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.
<b>Day count basis</b>	Actual / Actual.
<b>Interest on Application Money</b>	As per applicable law.
<b>Tenor</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Redemption Dates</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Redemption Amount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Redemption Premium or Discount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Issue Price (in ₹)</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.

<b>Discount at which security is issued and the effective yield as a result of such discount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Put Date or Put Price or Call Date or Call Price or Put Notification Time or Call Notification Time</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Face Value (in ₹)</b>	₹ 1,000 per NCD.
<b>Minimum application size and in multiples of debt securities thereafter</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Issue Timing</b> 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Deemed Date of Allotment</b>	The date on which the Authorized Officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
<b>Issuance mode of the instrument</b>	Dematerialised form only.
<b>Trading</b>	In dematerialised form only.
<b>Settlement</b>	See the section titled “ <i>Terms of the Issue</i> ” on page 266
<b>Depositories</b>	NSDL and CDSL.
<b>Business day convention/ Working Day</b>	<p>Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post Issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p> <p>If the interest payment date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such interest payment date were a Working Day. Further, the future interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.</p> <p>If Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/ redemption payments shall be made only on the subsequent day when the money market is functioning in Mumbai.</p>
<b>Record Date</b>	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue the or such other date as may be determined by the Company from time to time in accordance with the applicable

	law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case the Record Date falls on a day when Depositories/Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
<b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate</b>	<p>The principal amount of the NCDs to be issued in terms of this Shelf Prospectus and relevant Tranche Prospectus together with all interest accrued on the NCDs shall be secured by way of first <i>pari passu</i> charge through hypothecation of the book debts/receivables (excluding the book debts / receivables on which a specific charge has already been created by the Company).</p> <p>We have received necessary consents from the relevant debenture trustees, lenders to the Company and security trustees for ceding <i>pari passu</i> charge in favour of the Debenture Trustee in relation to the NCDs.</p> <p>The security is estimated to be created prior to the listing of the NCDs.</p> <p>The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.</p>
<b>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</b>	In accordance with the Debenture Trust Deed.
<b>Transaction documents</b>	Transaction documents shall mean the Abridged Prospectus, Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue and any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trust Deed, Debenture Trust Agreement, Application Form, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement and Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, " <i>Material Contracts and Documents for Inspection</i> " on page 319
<b>Conditions Precedent to Disbursement</b>	In accordance with the Debenture Trust Deed.
<b>Conditions Subsequent to Disbursement</b>	In accordance with the Debenture Trust Deed.
<b>Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)</b>	Please see the section titled " <i>Issue Structure</i> " on page 262
<b>Creation of recovery expense fund</b>	Our Company undertakes to create deposit in the manner as maybe specified by SEBI from time to time the amount in the recovery expense fund and inform the Debenture Trustee regarding the creation of deposit in such fund.and inform the Debenture Trustee regarding the deposit of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
<b>Conditions for breach of covenants (as specified in the Debenture Trust Deed)</b>	In accordance and as specified in the Debenture Trust Deed.
<b>Cross default provisions</b>	In accordance with the Debenture Trust Deed.
<b>Roles and responsibility of the Debenture Trustee</b>	Please see the section titled " <i>Terms of the Issue</i> " on page 266
<b>Risk factors pertaining to the Issue</b>	Please see the section titled " <i>Risk Factors</i> " on page 15
<b>Governing law and jurisdiction</b>	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in New Delhi.
<b>Security cover</b>	100% of the amount of outstanding NCDs and the interest thereon at any point of time.

*\* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

*\*\*The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. IST, during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board. In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given, on or before such earlier date or initial date of closure. Applications Forms for the Issue will be accepted only from 10.00 a.m. till 5.00 p.m. IST or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. IST and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day post the Issue Closing Date*

*While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

*The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.*

*Please see “Issue Procedure” on page 279 of this Shelf Prospectus for details of category wise eligibility and allotment in the Issue.*

**Participation by any of the investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.**

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see section titled “Issue Procedure” on page 279 of this Shelf Prospectus.



## TERMS OF THE ISSUE

### Authority for the Issue

The Issue is being made pursuant to the resolution passed by the Board on February 12, 2020

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013, duly approved by the shareholders of the Company at the Annual General Meeting of the Company on September 29, 2020.

### Specific Terms of the NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### Interest and Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### Ranking of NCDs

The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the existing secured creditors on the book debts or receivables, other than those on which a specific charge has already been created by the Company, adequate to ensure 100% (One Hundred per cent.) asset cover for the NCDs and interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

The Company is required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020, the Company undertakes, inter alia, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or *pari passu* charge on the assets of the Issuer have been obtained from the earlier creditors.

The Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents from all prior creditors.

### Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders any rights or privileges available to our Company's members or shareholders including, without limitation, the right to receive notices and/or attend and/or vote at any general meeting of our Company's members or shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members or shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, NCD Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory or regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the NCD Holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory or regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holders shall be entitled to one vote on a show of hands and on a poll, his/her voting

rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, Corrigendum, if any, addendum, if any, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation of the NCDs (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of NCD Holders in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.
6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be in accordance with the terms of the Transaction Documents and the Debenture Trust Deed.

### **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any listed non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption

of debentures maturing during the year referred above.

### **Nomination Facility to NCD Holders**

In accordance with Section 72 of the Companies Act, 2013 and Rule 19 of the SCD Rules (“**Rule 19**”), the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. On the receipt of the said nomination as per prescribed law a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the NCD Holder’s death during minority. A nomination may be cancelled or varied by nominating any other person in place of the preset nominee, by the NCD Holder who has made the nomination by giving a notice of such cancellation or variation in **Form No. SH.14**. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received. A nomination will stand rescinded on a sale or transfer or alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

The request for nomination should be recorded by the Company within a period of 2 months from the date of receipt of the duly filled and signed nomination form. In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the NCD Holder; or
- (b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form. Applicants holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

### **Taxation**

TDS provision should be applicable based on prevailing law from time to time. As of date, pursuant to clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form. However, in case of NCDs held in physical form, pursuant to the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the

prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus and the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

### **Payment of Interest**

As specified in the relevant Tranche Prospectus for each Tranche Issue, amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Coupon Payment Date. The dates of the future interest payments would be in accordance with the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

If the Redemption Date (also being the last interest payment date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Mumbai. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

### **Mode of payment of Interest to NCD Holders**

Payment of interest will be made (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCDs in accordance with the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us or Registrar to the Company (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the Coupon Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details please see the section titled "*Terms of the Issue*" on page 266 of the Shelf Prospectus.

### **Maturity and Redemption**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Deemed Date of Allotment**

The date on which the Authorized Officials approve the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Authorized Officials and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

## **Application Size**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

## **Terms of Payment**

The entire issue price per NCD, as specified in the relevant Tranche Prospectus for each Tranche Issue, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount paid on application to the applicant in accordance with the terms of this Shelf Prospectus and the relevant Tranche Prospectus.

## **Record Date**

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

## **Manner of Payment of Interest or Refund or Redemption Amount\***

The manner of payment of interest or refund or redemption amount in connection with the NCDs is set out below\*:

### ***For NCDs applied / held in electronic form:***

The bank details will be obtained from the Depositories for payment of Interest or refund or redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant's sole risk, and neither the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

### ***For NCDs held in physical form pursuant to rematerialisation:***

For NCDs held in physical form on account of rematerialisation, the bank details, for payment of interest or redemption as the case may be, will be obtained from the documents submitted to our Company / the Registrar to the Issue along with the rematerialisation request. . Please refer to “*Procedure for Rematerialization of NCDs*” on page 277 of this Shelf Prospectus for further details.

*\*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 10,00,375.23 then the amount shall be rounded off to ₹ 10,00,375 and if the redemption amount is ₹10,00,375.67 then the amount shall be rounded off to ₹10,00,376.*

The mode of interest or refund or redemption payments shall be undertaken in the following order of preference:

#### **1. Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment or refund or redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment or refund or redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants’ banks have been assigned the Indian Financial System Code (“IFSC”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post / Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment or refund or redemption orders shall be dispatched through Registered post / Speed post at the Investor’s sole risk, only to Applicants that have provided details of a registered address in India.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed or available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest or refund or redemption so long as our Company has initiated the process of such request in time.

**Printing of Bank Particulars on Interest or Redemption Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders or warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form, on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company or Registrar to the Issue at least 7 days prior to the Record Date failing which the orders or warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company through post.

Bank account particulars will be printed on the orders or warrants which can then be deposited only in the account specified.

## **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

## **Form and Denomination**

In case of NCDs held under different series, as specified in the relevant Tranche Prospectus for each Tranche Issue, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held (“**Consolidated Certificate**”). The Applicant can also request for the issue of NCD certificates denominated in the Market Lot. In case of NCDs held under different series, as specified in the relevant Tranche Prospectus, by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

**It is however distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in demat form.**

Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

## **Payment on Redemption**

The manner of payment of redemption is set out below\*.

### ***NCDs held in physical form on account of rematerialization***

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder or all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques or pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 (thirty) days from the date of receipt of the duly discharged NCD certificate. These NCDs will be simultaneously extinguished to the extent of amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on part of the NCD Holders.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us / Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

### ***NCDs held in electronic form***

On the Redemption Date, redemption proceeds would be paid by cheque or pay order or electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be in

accordance with the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment or redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

*\*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 10,00,375.23 then the amount shall be rounded off to ₹ 10,00,375 and if the redemption amount is ₹10,00,375.67 then the amount shall be rounded off to ₹10,00,376.*

### **Redemption Date**

As specified under the relevant Tranche Prospectus for each Tranche Issue.

### **Right to reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, as applicable on the date of this Shelf Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

### **Transfer or Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. In respect of the NCDs held in physical form on account of to rematerialization, a common form of transfer shall be used for the same. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL or CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure*" on page 262 of the Shelf Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which have come into effect from April 1, 2019, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

### **Title**

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders,



shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

#### ***For NCDs held in electronic form***

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

#### **Common form of transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

#### **Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder;
2. Proof that the non-resident Indian is an Indian national or is of Indian origin; and
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

#### **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

## Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

## Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by post or through email or other electronic media to the registered NCD Holders from time to time.

## Issue of duplicate NCD Certificate(s)

If NCD certificate(s) is or are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity or security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

## Security

The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest accrued on the NCDs shall be secured by way of first *pari passu* charge through the hypothecation of the book debts/receivables (excluding the book debts / receivables on which a specific charge has already been created by the Company), more particularly as detailed in the section titled “*Issue Structure*” on page 262 of the Shelf Prospectus.

Our Company intends to enter into an indenture / deed with the Debenture Trustee, (“**Debenture Trust Deed**”), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed on or prior to the listing of NCDs. and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Stock Exchange. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the SEBI Debt Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent.) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant Redemption Date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

## Trustees for the NCD holders

We have appointed Beacon Trusteeship Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 4(4) of the SEBI Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

## **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

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### **Procedure for Rematerialization of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

### **Loan Against NCDs**

Pursuant to the RBI circular dated June 27, 2013, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

### **Lien**

The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holders or deposits held in the account of the NCD Holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD Holders to the Company, subject to applicable law.

### **Lien on pledge of NCDs**

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

### **Future Borrowings**

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, provided the stipulated security cover is maintained and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection

### **Day Count Convention**

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI circular regarding Issues Pertaining to Primary Issuance of Debt Securities bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and regarding clarification on aspects related to day count convention for debt securities issued under the SEBI Debt Regulations bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

### **Effect of Holidays on Payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Coupon Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

### **Illustration for Guidance in respect of the Day Count Convention and Effect of Holidays on Payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in the relevant Tranche Prospectus for each Tranche Issue.

**Payment of Interest**

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded or unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, “*Issue Procedure - Rejection of Applications*” on page 298 of the Shelf Prospectus.

## ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018 (“Debt ASBA Circular”), which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application.*

*In addition, specific attention is invited to SEBI Circular SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”), whereby retail individual investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to INR 2, 00, 000 being conducted on or after January 01, 2021.*

*ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Issue Documents.*

*Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto Rs. 2 Lac submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*Please note that this section has been prepared based on the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, circular no. SEBI/HO/DDHC/CIR/P/2020/233 dated November 23, 2020 (“UPI Mechanism Circular”) and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.*

*Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.**

**Please note that for the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Sundays and bank**

**holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.**

The information below is given for the benefit of the investors. Our Company and the Members of the Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

### **Who can apply?**

The following categories of persons are eligible to apply in this Issue.

#### **Category I – Institutional Investors**

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹25 Crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds registered with SEBI, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹500 Crore in accordance with the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

#### **Category II – Non Institutional Investors**

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies or corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public or private charitable or religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended;
- Association of persons; and

- Any other incorporated and/ or unincorporated body of persons.

### **Category III - High Net Worth Individual Investors**

- High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all series of NCDs in a Tranche Issue.

### **Category IV – Retail Individual Investors**

- Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all series of NCDs in a Tranche Issue.

Please note that it is clarified that person(s) resident outside India shall not be entitled to participate in the Issue and any Application(s) from such persons are liable to be rejected. Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions or consents or approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

The information below is given for the benefit of Applicants. Our Company, Members of the Consortium and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

### **How to apply?**

#### **Availability of the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.**

**Please note that there is a single Application Form for Applicants who are persons resident in India.**

Physical copies of the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue together with Application Forms, and Abridged Prospectus containing the salient features of the Shelf Prospectus, may be obtained from (i) our Company's Registered and Corporate Office, (ii) the office of the Lead Managers, (iii) offices of the brokers, (iii) the office of the Registrar to the Issue, (v) Designated RTA Locations for RTAs, (vi) Designated CDP Locations for CDPs, and (vii) the Designated Branches of the SCSBs. Additionally, , the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and the Application Forms will be available:

- (i) for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com), and the website of the Lead Managers at [www.trustgroup.in](http://www.trustgroup.in), [www.akgroup.co.in](http://www.akgroup.co.in), [www.edelweissfin.com](http://www.edelweissfin.com), , [www.jmfl.com](http://www.jmfl.com) and.
- (ii) at the Designated Branches of the SCSBs and at the Specified Locations of the Members of the Syndicate.

Electronic Application Forms will also be available on the website of the Stock Exchange and on the website of SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Designated Intermediaries of the Stock Exchange at their request.

### **Method of Application**



In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

For Applicants who submit the Application Form in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue and their respective directors and officers, shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the Stock Exchange.

In terms of the UPI Mechanism Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)
  - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, *i.e.* investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
  - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
  - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchanges**

- a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
- b. To further clarify the submission of bids through the App or web interface, the Stock Exchange has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>.

### **Application Size**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

## **APPLICATIONS BY VARIOUS APPLICANT CATEGORIES**

### **Applications by Mutual Funds**

Pursuant to the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 (“SEBI Circular 2017”), as amended by SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 15% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. Further, the group level limits for debt schemes and the ceiling be fixed at 20% of net assets value extendable to 25% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks**

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investment; (iv) the certificate of registration from the RBI; and (v) a letter of authorisation.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Application by Insurance Companies**

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) IRDAI registration certificate, and (v) specimen signatures of authorised signatories.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Applications by Alternative Investments Funds**

Applications made by 'Alternative Investment Funds' eligible to invest in accordance with the SEBI AIF Regulations for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than Rs. 50,000 lakh as per the last audited financial statement can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association or charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; (iv) specimen signatures of authorised signatories; (v) certificate of registration issued by the RBI; (vi) latest audited financial statements; (vii) net worth certificate from the statutory auditor.

**Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

### **Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs**

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008**

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications under a power of attorney**

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

**Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

**Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

**Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act or rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory or regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund or trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications by National Investment Funds**

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) incorporation/ registration under any Act/Rules under which they are incorporated/registered, (ii) the trust deed in respect of the fund, if any,(iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized persons.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

**Applications cannot be made by:**

- a) Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor applicant and the name of the guardian);
- b) Foreign nationals;
- c) Persons resident outside India;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Non Resident Indians;
- g) Qualified Foreign Investors;
- h) Overseas Corporate Bodies\*\*;
- i) Foreign Venture Capital Funds; and
- j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

*The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

## **Payment instructions**

### ***Payment mechanism for Applicants***

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.2 lac or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Tranche Issue or until rejection of the Application, as the case may be.

### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

### **Additional Instructions for Retail Individual Investors using the UPI mechanism:**

- a) Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- b) The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

- c) The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
- d) Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
- f) Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
- g) Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
- h) The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
- i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
- k) The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
- l) The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm
- n) The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p) The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
- q) The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
- r) Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

**Applicants are advised not to submit Application Forms to Public Issue Account Banks as the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

### **Filing of the Shelf Prospectus and the Tranche Prospectus with ROC**

A copy of the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

### **Instructions for completing the Application Form**

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, the Tranche Prospectus for each Tranche Issue and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
- (f) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- (g) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- (h) Applicants must ensure that their Application Forms are made in a single name.
- (i) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (j) Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
- (k) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.



(l) Applications for all the series of the NCDs may be made in a single Application Form only.

**The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.**

**Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

#### **Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDs SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (in case applying through UPI Mechanism) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

**On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.**

**Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants.

Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

### **Unified Payments Interface (UPI)**

SEBI has issued UPI circulars on November 23, 2020 with reference number SEBI/HO/DDHC/CIR/P/2020/233 in relation to streamlining the process of public issue of *inter alia* debt issues. Pursuant to the UPI circular, the UPI Mechanism has been introduced and will become applicable for public debt issues being conducted on or after January 01, 2021 as a payment mechanism (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

### **Permanent Account Number (PAN)**

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

### **Electronic registration of Applications**

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock

Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- (e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Shelf Prospectus or the relevant Tranche Prospectus for each Tranche Issue; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day until 1:00 PM after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

#### **Process for investor application submitted with UPI as mode of payment**

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

- g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
- h. The Sponsor Bank shall initiate a mandate request on the investor
- i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.
- k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
- l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
- n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- s. The allotment of debt securities shall be done as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.
- t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be

transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

- v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- w. Thereafter, Stock Exchange will issue the listing and trading approval.

## **General Instructions**

### ***Do's***

- Check if you are eligible to apply in accordance with the terms of Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and applicable law;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where 'PQR' is the name of the Karta;
- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;
- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address in accordance with the Demographic Details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;
- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of INR 2, 00. 000;
- Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form
- Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface
- Ensure that you have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;
- Ensure that you have correctly signed the authorisation /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the option of NCDs in the Application Form that you wish to apply for.

***Don'ts***

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, demand draft, cheque, by money order, postal order or by stock invest;
- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not submit an Application Form using UPI ID, if the Application is for an amount more than INR 2,00,000;
- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit a bid using UPI ID, if you are not a Retail Individual Investor;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit more than five Application Forms per ASBA Account;
- If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

**Submission of Application Forms**

For details in relation to the manner of submission of Application Forms, please see the section titled "*Issue Procedure*" on page 279 of the Shelf Prospectus.

## **OTHER INSTRUCTIONS**

### **Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

### **Additional or Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Tranche Issue for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 10 lacs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated April 25, 2006, and May 16, 2006, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
- (vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.
- (vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.



Allottees will have the option to rematerialise the NCDs Allotted under this Issue in accordance with the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled “*Issue Procedure*” on page 279 of the Shelf Prospectus.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer of the Company or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository’s beneficiary account, etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice or non-credit of NCDs in depository’s beneficiary account, etc.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Rejection of Applications**

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***An Application may be rejected on one or more technical grounds, including but not restricted to:***

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 (five) ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian (except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants);

- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stock invest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB or Sponsor Bank to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB or Sponsor Bank for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange bidding system;
- Applications providing an inoperative demat account number;

- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed in accordance with the Application Form and in accordance with the instructions in the Application Form, the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- The UPI Mandate Request is not approved by the Retail Individual Investor; and
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Further, in the event of such non-convertible bonds issued not being listed within 15 days of investment or issuance for any reason, the RFPIs are required to immediately dispose of those non-convertible bonds either by way of sale to a third party or to the issuer and the Company shall immediately redeem/ buyback those securities from the RFPIs in such an eventuality.

### **Mode of making refunds**

The payment of refund, if any, may be done through various electronic modes mentioned below:

- (i) **Direct Credit:** Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- (ii) **NACH:** Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).
- (iii) **NEFT:** Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while

opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (iv) **RTGS:** If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
- (v) **Registered Post / Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All the cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.
- (vi) The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

The payment of refund, if any, may be done through the Registrar to the Issue who shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawal, rejection or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by post or email at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into arrangement with one or more banks in one or more cities for refund to the account of the Applicants through Direct Credit/NACH/RTGS.

Further,

- (i) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- (ii) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;
- (iii) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within six Working days from the Issue Closing Date, for the delay beyond 6 Working days in case of non-receipt of minimum subscription; and
- (iv) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

#### **Retention of oversubscription**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Grouping of Applications and allocation ratio**

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Category Portion**”).

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

#### **Basis of Allotment**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Allocation Ratio**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Retention of oversubscription**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Investor Withdrawals and Pre-closure**

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date by submitting a request for the same to Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this Issue have been given.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked or credited only to the bank account in or from which the subscription was blocked or remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

#### **Revision of Applications**

Pursuant to the notice no: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise or modify their Application details during the Issue Period, as allowed or permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange in accordance with the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify or verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

#### **Utilisation of Application Amounts**

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds in accordance with applicable provisions of law(s), regulations and approvals.

#### **Utilisation of the proceeds of this Issue**

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.
- The allotment letter shall be issued or application money shall be refunded/unblocked within six Working days from the closure of the respective Tranche Issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate prescribed under applicable law.
- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.
- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; (d) execution of the Debenture Trust Deed; and (e) obtaining listing and trading approval from the Stock Exchange as stated in this Shelf Prospectus and relevant Tranche Prospectus.
- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.
- Proceeds of this Issue shall not be utilized for providing loan to or acquisition of shares of any person who is

part of the same group or who is under the same management.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

### **Listing**

The NCDs proposed to be offered in pursuance of this Shelf Prospectus, and the relevant Tranche Prospectus will be listed on the BSE. Our Company has received an ‘in-principle’ approval from BSE by way of its letter dated January 07, 2021. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of Shelf Prospectus, and the relevant Tranche Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days from the Issue Closing Date for the respective Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such NCDs with series shall not be listed.

### **Guarantee/Letter of Comfort**

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Undertaking by our Company**

We undertake that:

- a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;
- b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date;
- c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;
- d) the funds required for dispatch of allotment advice/ certificates by post shall be made available to the Registrar to the Issue by our Company;
- e) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;
- f) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

- g) we shall disclose the complete name and address of the Debenture Trustee in our annual report and website;
- h) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Shelf Prospectus and each Tranche Prospectus; and
- i) we shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
- j) We shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same
- k) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor



## SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

*The main provisions of the Articles of Association (“AOA”) relating to allotment of NCDs and matters incidental hereto have been set out below. Please note that each provision herein below is numbered in accordance with the corresponding provision in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term “Article” hereunder means the corresponding article contended in the AOA.*

<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>	
	Shares under control of Board
3.	Subject to provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as it may from time to time think fit.
	Directors may allot shares otherwise than for cash
4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be..
	Kinds of Share Capital
5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:  (a) Equity share capital:  (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and  (b) Preference share capital.
	Issue of certificate
6.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive Certificate within a period not exceeding two months after allotment or within a period not exceeding one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide.
	Certificate to bear seal
	(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
	One certificate for shares held jointly
	(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
	Option to receive share certificate or hold shares with depository
7.	Subject to the provisions of the Act and the Rules, a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

		Issue of new certificate in place of one defaced, lost or destroyed
8.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee.
		Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
9.		The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act and/ or Rules otherwise requires) of the Company.
		Variation of members' rights
11	(1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
		Issue of further shares not to affect rights of existing members
12.		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
		Power to issue or re-issue redeemable preference shares
13.		Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and Rules.
		Further issue of share capital
14.	(1)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (a) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
	(2)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer, subject to and in accordance with the Act and the Rules.
Lien		
		Company's lien on shares

15.	(1)	<p>The Company shall have a first and paramount lien –</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.</p> <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>
		Lien to extend to dividends, etc.
	(2)	The Company's lien, if any, on a share shall extend to all dividends, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company..
		Waiver of lien in case of Registration
	(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien..
		As to enforcing lien by sale
16.		<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(a) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.</p>
		Outsider's lien not to affect Company's lien
19.		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
Calls on shares		
		Board may make calls
21.	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
		Notice of call
	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
		Board may extend time for Payment

	(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
		Revocation or postponement of Call
	(4)	A call may be revoked or postponed at the discretion of the Board.
		Call to take effect from date of Resolution
22.		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
		Liability of joint holders of Shares
23.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
		When interest on call or instalment payable
24.	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
		Board may waive interest
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
		Payment in anticipation of calls may carry interest
26.		The Board –  (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and  (a) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
		Instalments on shares to be duly paid
27.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
		Calls on shares of same class to be on uniform basis
28.		All calls shall be made on a uniform basis on all shares falling under the same class.  <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
		Partial payment not to preclude forfeiture
29.		Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of

		principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
		Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.
30.		The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
Transfer of shares		
		Instrument of transfer to be executed by transferor and transferee
31.	(1)	The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.  The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
	(2)	
		Board may decline to recognise instrument of transfer
33.		The Board may, subject to the right of appeal conferred by the Act decline to register –  (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; (b) any transfer of shares on which the Company has a lien. (c) the transfer of a share, when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor; (a) the transfer of a share, when the transferor object to the transfer provided he serves on the company within a reasonable time a prohibitory order of a Court of competent jurisdiction.
		Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.
35.		The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
Transmission of shares		
		Title to shares on death of a member
37.	(1)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
		Estate of deceased member Liable
	(2)	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons..
		Transmission Clause
38.	(1)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -  (a) to be registered himself as holder of the share; or (a) (b) to make such transfer of the share as the deceased or insolvent member could have made.

		Board's right unaffected
	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
		Indemnity to the Company
	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
		Right to election of holder of Share
39.	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
		Limitations applicable to notice
	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Forfeiture of shares		
		If call or instalment not paid notice must be given
42		If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
		Entry of forfeiture in register of Members
46.		When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
		Effect of forfeiture
47.		The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
		Certificate of forfeiture
50.	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
		Title of purchaser and transferee of forfeited shares
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

		Transferee to be registered as holder
	(3)	The transferee shall thereupon be registered as the holder of the share; and
		Transferee not affected
	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
		Validity of sales
51.		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
		Cancellation of share certificate in respect of forfeited shares
52.		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
		Sums deemed to be calls
54.		The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Alteration of capital		
		Power to alter share capital
56.		Subject to the provisions of the Act , the Company may, by ordinary resolution - (a) increase the share capital by such sum to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (a) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
		(d)
		Shares may be converted into stock

57.		<p>Where shares are converted into stock:</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</p>
		Right of stockholders
		<p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</p> <p>(b) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.</p>
		Reduction of capital
58.		<p>The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules,</p> <p>(a) its share capital; and/or</p> <p>(b) any capital redemption reserve account; and/or</p> <p>(c) any securities premium account; and/or</p> <p>(a) any other reserve in the nature of share capital.</p>
		Capitalisation of profits
		Capitalisation
60.		<p>The Company by resolution passed in general meeting may, upon the recommendation of the Board, resolve –</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(a)</p>
		Powers of the Board for capitalisation
61.	(1)	<p>Whenever such a resolution as aforesaid shall have been passed, the Board shall -</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(a) generally do all acts and things required to give effect thereto.</p>
		Board's power to issue fractional certificate/coupon etc.



	(2)	The Board shall have power—  (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and  (a) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
		Agreement binding on members
	(3)	Any agreement made under such authority shall be effective and binding on such members.
Buy-back of shares or other securities		
		Buy-back of shares or other securities
62.		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other securities.
General meetings		
		Annual General Meeting
63.	(1)	The Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting. The Annual General Meeting of the Company shall be held within the period specified in the Act after the expiry of each financial year. The notice calling the general meeting shall specify it as Annual General Meeting.
		Board to call extraordinary general meeting
	(3)	The Board may whenever it thinks fit, and it shall when so required by the President or on the requisition in writing or through electronic mode by the holders of not less than one tenth of the paid up share capital of the company, upon which all calls or other sums then due have been paid and as at that date carries the right of voting in the matter, forthwith proceed to convene an extraordinary general meeting of the company in accordance with the provisions of the Act and Rules.
		Notice of Meeting
	(4)	The general meeting of our Company shall be called by giving a notice in accordance with Act and Rules.
Proceedings at general meetings		
		Presence of Quorum
64.	(1)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
		Right of President to appoint any person as his representative.
	(4)	The President of India, so long as he is a member of a company, may appoint such person as he thinks fit to act as his representative at any meeting of the company or at any meeting of any class of members of the company. A person so appointed shall be deemed to be a member of such a company and shall be

		entitled to exercise the same rights and powers, including the right to vote by proxy and postal ballot, as the President could exercise as a member of the company.
		Minutes of proceedings of meetings and resolutions passed by postal ballot
70.	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot, to be prepared and signed in such manner as may be prescribed by the Act & Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot, entries thereof in books kept for that purpose with their pages consecutively numbered
		Certain matters not to be included in Minutes
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company
Adjournment of meeting		
		Chairman may adjourn the meeting
72.	(1)	The Chairman may, with the consent of any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.
		Notice of adjourned meeting
	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
		Notice of adjourned meeting not required
	(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Votes of Members		
		Entitlement to vote on show of hands and on poll
73.		Subject to any rights or restrictions for the time being attached to any class or classes of shares (a) on a show of hands, every member present in person shall have one vote; and (a) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
		Seniority of names
75.	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
		Votes in respect of shares of deceased or insolvent members, etc.
77.		Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the

		Company of his right to such shares unless his right to vote at such meeting in respect thereof has previously been admitted.
		Restriction on voting rights
78.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien
		Restriction on exercise of voting rights in other cases to be void
79.		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
		Equal rights of members
80.		Any member whose name is entered in the register of members of our Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
Proxy		
		Member may vote in person or otherwise
82.	(1)	Save as provided in the Act and the Rules, any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
		Proxies when to be deposited
	(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
Board of Directors		
		Board of Directors
85.		Subject to the provisions of the Act and the Rules , the President shall from time to time determine the number of Directors of the Company which shall not be less than 3 (three) and not more than 15 (fifteen).
		Appointment of Chairman, Managing Director and other Directors,
86.	(1)	Save as provided under the Act and Rules, the President shall appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman provided that no such consultation is necessary in respect of Government representatives on the Board of Directors of the company. The appointment of Directors shall be in such number and for such period as the President may determine from time to time. The Directors (including the Chairman and /or Managing Director) shall be paid such salary and/or allowance as the President may from time to time determine.
	(2)	The President may appoint or reappoint an individual as the Chairman as well as the Managing Director of our Company at the same time on such terms and remuneration as he may think fit.
		Retirement and resignation of Directors

	(3)	A Director appointed by virtue of his holding any office in the Government or Govt. Company, shall retire on the date he ceases to hold that office. i) Subject to the provisions of the Act and Rules, a Director including Chairman and/or Managing Director may resign from his office by giving a notice in writing. The resignation will take effect from the date it is accepted by the President.
		Rotational Retirement of Other Directors
	(4)	The period of office of all Directors shall be liable to determination for retirement of directors by rotation as provided under the Act and Rules and save as otherwise expressly provided in the Act and Rules, be reappointed by the Company in general meeting. The Chairman and/or Managing Director shall not be subject to retirement under this clause.
		Removal of Directors
87.	(1)	The President shall have the power to remove any Director including Chairman and / or Managing Director from office at any time in his absolute discretion.
		Filling of any vacancy
	(2)	The President shall have the right to fill in any vacancy in the office of director including Chairman and/or Managing Director caused by removal, dismissal, resignation, death or otherwise.
		Appointment of additional directors
88.	(1)	Subject to the provisions of the Act and Rules the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
		Duration of office of additional director
	(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as Chairman and /or Managing Director or a director at that meeting subject to the provisions of the Act and Rules.
		Appointment of alternate director
89.	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called (“ <b>the Original Director</b> ”)) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act and Rules.
Powers of Board		
		General powers of our Company vested in Board
90.	(1)	Subject to the provisions of the Act, Rules and these articles, the Board of Directors of the company shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do.  Provided that the Board shall not exercise any power or do any act or thing reserved for President or any power which is directed or required whether by the Act or any other Act or by the Memorandum and Articles of the company or otherwise, to be exercised or done by the company in general meeting.

		Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, Rules or any other Act or in the Memorandum and Articles of the company, or in any regulations not inconsistent herewith and duly made thereunder, including regulations made by the company in general meeting.
	(2)	No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

## SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 110 001, India from 10.00 a.m. and 5.30 p.m. from the date of the filing of this Shelf Prospectus with the RoC until the Issue Closing Date under the relevant Tranche Prospectus.

### MATERIAL CONTRACTS

1. Memorandum of Understanding dated December 30, 2020, executed between our Company and the Lead Managers.
2. Registrar Agreement dated December 28, 2020, executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated December 23, 2020, executed between our Company and the Debenture Trustee.
4. Agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Tripartite Agreements dated April 25, 2006, and May 16, 2006, between our Company, the Registrar to the Issue, and CDSL and NSDL respectively.
6. Consortium Agreement dated January 11, 2021, executed between our Company and the Members of the Consortium.
7. Public Issue Account and Sponsor Bank Agreement dated January 11, 2021, executed between our Company, the Public Issue Account Bank, Refund Bank, Sponsor Bank, Lead Managers and Registrar to the Issue.

### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;
2. Certificate of Incorporation of the Company dated July 16, 1986, and certificate of commencement of business of the Company dated December 31, 1987;
3. Certificate of registration of the Company as a IFC NBFC;
4. Copy of shareholders resolution dated September 29, 2020, under section 180(1)(c) of the Companies Act, 2013, approving the borrowing limits limit of the Board of Directors;
5. Copy of the Board resolution dated February 12, 2020, approving the Issue and delegating power to authorized officials to make further changes;
6. Copy of the resolution passed by the Board of Directors at its meeting held on December 30, 2020 approving the Draft Shelf Prospectus;
7. Copy of the letter issued by the CMD/Director (Finance) approving the Shelf Prospectus dated January 11, 2021;
8. Consents of each of the Directors, the Chief Financial Officer, the Compliance Officer of the Company, Lead Managers, legal counsel to the Issue, Registrar to the Issue, Bankers to our Company, the Debenture Trustee, Public Issue Account Bank, Refund Bank and Sponsor Bank, Consortium Members and the Credit Rating Agencies to include their names in this Shelf Prospectus, in their respective capacities;
9. Consent letter from CARE Ratings Limited in respect of permission to use and disclose the contents of the following reports for the section on 'Industry' in this Shelf Prospectus:
  - 9.1. Report titled '*The Indian Power Sector (Economics) in 2019-20*' dated March 31, 2020;
  - 9.2. Report titled '*Power sector update (Economics)*' dated November 9, 2020;
  - 9.3. Report titled '*Oil and Gas FY20 update and FY21 outlook (Industry Research)*' dated May 18, 2020;
  - 9.4. Report titled '*Coal Update – October 2020*';

- 9.5. Report titled '*Coal Update (Industry Research) – June 2020*' dated June 15, 2020;
- 9.6. Report titled '*Natural Gas H1-FY21 update (Industry Research)*' dated October 22, 2020; and
- 9.7. Report titled '*Crude Oil H1-FY21 update (Industry Research)*' dated October 22, 2020
10. Credit rating letter dated January 07, 2021, and credit rating rationale dated April 17, 2020, by CARE assigning a rating of "CARE AAA; Stable" in respect of the NCDs.
11. Credit rating letter dated January 06, 2021, and credit rating rationale dated April 1, 2020, by ICRA assigning a rating of "[ICRA]AAA(Stable)" in respect of the NCDs.
12. Credit rating letter dated January 08, 2021, and credit rating rationale dated March 29, 2020, by CRISIL assigning a rating of "CRISIL AAA / Stable" in respect of the NCDs.
13. Consent of the Statutory Auditors dated December 30, 2020, to include their name as required under Section 26(1) of the Companies Act, 2013 and SEBI Debt Regulations in this Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 and Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated December 30, 2020, on the the Reformatted Consolidated Financial Information under IGAAP, the Reformatted Consolidated Financial Information under IND-AS, the Reformatted Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP; (ii) Limited Review Financial Results dated November 12, 2020; and (iii) their report dated December 30, 2020, on the statement of tax benefits, included in this Shelf Prospectus.
14. Statutory Auditors' examination reports, each dated December 30, 2020 on the the Reformatted Consolidated Financial Information under IGAAP, the Reformatted Consolidated Financial Information under IND-AS, the Reformatted Standalone Financial Information under IND-AS and Reformatted Standalone Financial Information under IGAAP.
15. Statement of tax benefits dated December 30, 2020, issued by our Statutory Auditors;
16. Annual report of our Company for the last five Fiscals;
17. Limited Review Financial Results for the quarter and half year ended September 30, 2020;
18. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/012/20-21 dated January 07, 2021;
19. Due diligence certificate dated January 11, 2021, filed by the Lead Managers with SEBI;
20. Exemption letter issued by SEBI dated October 19, 2020;
21. Memorandum of Understanding dated September 29, 2020, for the year 2020-21 between our Company and Ministry of Power, GoI; and
22. Memorandum of Understanding dated September 30, 2020, between our Company and REC Limited.

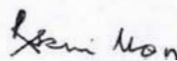
**Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.**

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, read with rules prescribed thereunder, as amended, the relevant provisions of Companies Act, 1956, and the rules prescribed thereunder, to the extent applicable and in force, on the date of this Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Reserve Bank of India and by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with. We further certify that the disclosures made in this Shelf Prospectus are true and correct and in conformity with the Companies Act, 2013 read with rules prescribed thereunder, as amended, the relevant provisions of Companies Act, 1956, and the rules prescribed thereunder, to the extent applicable and in force as on the date of this Shelf Prospectus, Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended and the relevant provisions of the Companies Act, 1956, as amended, applicable as on the date of this Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, or rules, guidelines and circulars issued thereunder, and the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Shelf Prospectus.

We further certify that all the disclosures and statements in this Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Shelf Prospectus does not contain any misstatements.

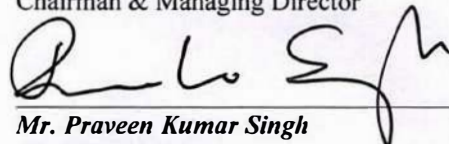
SIGNED BY ALL DIRECTORS:



**Mr. Ravinder Singh Dhillon**

**DIN:00278074**

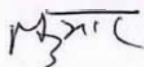
Chairman & Managing Director



**Mr. Praveen Kumar Singh**

**DIN:03548218**

Director (Commercial); Director (Projects)



**Mr. Tanmay Kumar**

**DIN:02574098**

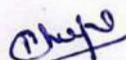
Government Nominee Director



**Mr. R. C. Mishra**

**DIN:02469982**

Independent Director



**Ms. Parminder Chopra**

**DIN:08530587**

Director (Finance)

Date: 11.01.2021

Place: New Delhi



## Annexure A

### Credit Rating and Rationale



No. CARE/DRO/RL/2020-21/3294

Mr Y Venu Gopal  
Chief General Manager (Finance)  
Power Finance Corporation Limited  
Ujanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi  
Delhi 110001

January 07, 2021

#### Confidential

Dear Sir,

#### Credit rating for Market Borrowing Programme

On the basis of recent developments including operational and financial performance of your Company for FY20 (Audited) and H1FY21 (unaudited), and the possible impact of the same on the credit profile of your company, our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	Long Term Borrowing Programme for FY-21	98,000.00* <sup>^</sup> (Enhanced from 81,880.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
2.	Short Term Borrowing Programme for FY-21	5,000.00	CARE A1+ (A One Plus)	Assigned
	Total Instruments	1,03,000.00 (Rs. One Lakhs Three Thousand Crore Only)		

\*Rs. 64,762.53 cr (including FCL) raised till Dec 31, 2020

<sup>^</sup>The Long Term Market Borrowing Program FY21 includes public issue of taxable non-convertible debentures aggregating upto Rs.10,000 crore

- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya  
Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai -  
400 022.  
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457  
Email: care@careratings.com • www.careratings.com

13th Floor, E-1 Block, Videocon Tower  
Jhandewalan Extension, New Delhi - 110 055.  
Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238

CIN-L67190MH1993PLC071691

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure 2. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by January 07, 2021, we will proceed on the basis that you have no any comments to offer.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

**CARE Ratings Ltd.**

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13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi - 110 055.  
Tel: +91-11-4533 3200 • Fax: +91-11-4533 3238

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Vidushi Gupta**  
Analyst  
vidushi.gupta@careratings.com



**Gaurav Dixit**  
Associate Director  
gaurav.dixit@careratings.com

**Encl.: As above**

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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

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**Annexure - I**  
**Details of Rated Instruments**

Instrument	ISIN No.	Issue Date	Coupon rate (%)	Principal amount (Rs. Cr)	Principal redemption date
54 EC Bonds (Secured)	INE134E07935	30-Apr-2020	5.75	12.44	30-Apr-2025
54 EC Bonds (Secured)	INE134E07943	31-May-2020	5.75	39.39	31-May-2025
54 EC Bonds (Secured)	INE134E07950	30-Jun-2020	5.75	117.99	30-Jun-2025
54 EC Bonds (Secured)	INE134E07976	31-Jul-2020	5.75	82.56	31-Jul-2025
54 EC Bonds (Secured)	INE134E07984	01-Sep-2020	5	26.03	31-Aug-2025
54 EC Bonds (Secured)	INE134E07992	30-Sep-2020	5	61.44	30-Sep-2025
54 EC Bonds (Secured)	INE134E07AAB	01-Nov-2020	5	45.90	31-Oct-2025
54 EC Bonds (Secured)	INE134E07AB6	01-Dec-2020	5	48.87	30-Nov-2025
Taxable (Unsecured) Bonds	INE134E08KN8	20-Apr-2020	6.98	3160.00	20-Apr-2023
Taxable (Unsecured) Bonds	INE134E08KO6	24-Apr-2020	6.83	1970.00	24-Apr-2023
Taxable (Unsecured) Bonds	INE134E08KP3	24-Apr-2020	7.16	1320.00	24-Apr-2025
Taxable (Unsecured) Bonds	INE134E08KQ1	08-May-2020	7.4	2920.00	08-May-2030
Taxable (Unsecured) Bonds	INE134E08KR9	15-May-2020	7.68	3101.30	15-Jul-2030
Taxable (Unsecured) Bonds	INE134E08KS7	22-May-2020	6.75	2145.00	22-May-2023
Taxable (Unsecured) Bonds	INE134E08KT5	22-May-2020	7.17	810.00	22-May-2025
Taxable (Unsecured) Bonds	INE134E08KU3	22-May-2020	7.79	1936.00	22-Jul-2030
Taxable (Unsecured) Bonds	INE134E08KW9	11-Jun-2020	6.72	2206.00	09-Jun-2023
Taxable (Unsecured) Bonds	INE134E08KV1	11-Jun-2020	7.75	3318.00	11-Jun-2030
Taxable (Unsecured) Bonds	INE134E08KL2	14-Jul-2020	7.41	1500.00	25-Feb-2030
Taxable (Unsecured) Bonds	INE134E08KX7	28-Jul-2020	5.77	900.00	11-Apr-2025
Taxable (Unsecured) Bonds	INE134E08KY5	28-Jul-2020	6.88	1300.00	11-Apr-2031
Taxable (Unsecured) Bonds	INE134E08KZ2	10-Aug-2020	7.05	1610.10	10-Aug-2030
Taxable (Unsecured) Bonds	INE134E08LA3	10-Aug-2020	7.2	1605.70	10-Aug-2035
Taxable (Unsecured) Bonds	INE134E08LB1	20-Aug-2020	5.47	3000.00	20-Aug-2023
Taxable (Unsecured) Bonds	INE134E08LC9	09-Sep-2020	7.04	1097.40	16-Dec-2030
Taxable (Unsecured) Bonds	INE134E08LD7	17-Sep-2020	6.5	2806.00	17-Sep-2025
Taxable (Unsecured) Bonds	INE134E08LE5	29-Sep-2020	7.34	1711.00	29-Sep-2035
Taxable (Unsecured) Bonds	INE134E08LC9	11-Nov-2020	7.04	2549.10	16-Dec-2030
Rupee term loan (secured)		10-Jul-2020	6.7	5000.00	10-Jul-2025
Rupee term loan (secured)		25-Sep-2020	6.55	1400.00	15-Oct-2023
Rupee term loan (secured)		28-Sep-2020	6.7	1500.00	28-Sep-2025
Rupee term loan (secured)		30-Sep-2020	6.75	1800.00	30-Sep-2025
Rupee term loan (unsecured)		26-May-2020	6.85	200.00	26-May-2023
Rupee term loan (unsecured)		27-May-2020	6.8	1000.00	27-Nov-2021
Rupee term loan (unsecured)		30-Jun-2020	6.9	500.00	30-Jun-2025
Rupee term loan (unsecured)		30-Jun-2020	6.62	1000.00	30-Dec-2021
Rupee term loan (unsecured)		30-Jun-2020	7.4	3000.00	15-Jul-2023
Rupee term loan (unsecured)		31-Aug-2020	6.2	2000.00	31-May-2022
Rupee term loan (unsecured)		11-Sep-2020	6.7	1000.00	11-Sep-2026
Rupee term loan (unsecured)		22-Sep-2020	6.8	2000.00	22-Sep-2026
Proposed				36199.77	
Short term market borrowing programme (Proposed)				5000	

**CARE Ratings Ltd.**

13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi - 110 055.  
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ICRA

ICRA Limited

D/RAT/2020-21/P-3/29

January 06, 2021

Mr. Y. Venugopal  
CGM - Finance  
Power Finance Corporation Ltd.  
1, Urjanidhi, Barakhamba Lane  
Connaught Place, New Delhi- 110001

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 98,000-crore Long-term Borrowing Programme (revised from Rs. 81,880 crore) of Power Finance Corporation Ltd. for the financial year 2020-21**

This is with reference to the outstanding rating of "[ICRA]AAA" (pronounced ICRA triple A) assigned to Rs. 81,880 crore long-term borrowing programme of your company and last communicated vide our letter dated December 24, 2020. Please refer to the rating agreement dated January 04, 2021 seeking rating for increased long-term borrowing programme of Rs. 98,000<sup>1</sup> crore (revised from Rs. 81,880 crore).

The rating committee of ICRA, after due consideration, has reaffirmed the rating of "[ICRA]AAA" for the Rs. 81,880 crore long-term borrowing programme of your company, and assigned the long-term rating of "[ICRA]AAA" to the additional limit of Rs. 16,120 crore. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long-term rating is "Stable".

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Stable).

We would request if you can sign the acknowledgement and send it to us latest by January 08, 2021 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. The rating is restricted to your Long-Term Borrowing programme size of Rs. 98,000 crore only. Further the total utilisation of the captioned rated Long-Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short-Term borrowing (including Commercial Paper & Short-term bank borrowings) programme should not exceed Rs. 118,000 crore for financial year 2020-21.

If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

<sup>1</sup> This includes public issue of taxable bonds aggregating upto Rs. 10,000 crore

Electric Mansion, 3 <sup>rd</sup> Floor Apparabai Marathe Marg Pragnadevi Mumbai-400025	Tel : +91 22 61843800 CIN : L74099DL1901PLC042749	Website : www.icra.in Email : info@icra.co.in Helpdesk : +91 9354758309
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Registered OfFice : 1108, Kalash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel : +91 11 23357510-15

**RATING • RESEARCH • INFORMATION**



ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

Karthik Srinivasan  
Senior Vice President  
Group Head - Financial Sector Ratings  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

End:-

- 1) Format for Monthly No-Default Statement Format



**ANNEXURE I:**

***'No Default Statement on the Company Letter Head'***

To,

ICRA Limited  
 Building No. 8, 2nd Floor, Tower A,  
 DLF Cyber City, Phase II, Gurugram -122002

Dear Sir/ Madam,

1. We hereby confirm that as on date there are no overdues or default on our listed debt obligations. (Securities).
2. We hereby confirm that as on date there are no overdues or default on our unlisted debt obligations. (Securities).
3. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our listed debt obligations (Securities).
4. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our un-listed debt obligations (Securities).
5. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
6. We hereby confirm that as on date and in the month ended <<Month and Year name>> there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions.
7. We hereby confirm that as on date there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions which continues beyond 30 days.
8. We hereby confirm that as on date there are no over dues or default on revolving facilities like cash credit, from banks/financial institutions which continues beyond 30 days.
9. We also confirm that there is no amount remaining unpaid for more than 30 days from the invocation of the bank guarantee facilities or devolvement of Letters of Credit as on date / in the month ended <<Month and Year name>> We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <<Month and Year name>>
10. We also confirm that there has been no overdrawing of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
11. Details of default in payment of interest/installment obligations on loans including revolving facilities like cash credit from banks/financial institutions and any overdrafts beyond what is sanctioned by the bank, beyond 30 days as on date/ in the month ended <<Month and Year name>>, in any of the above case (if any):

Name of Lender	Nature of obligation	Date of Default	Current default amount	Amount to be paid	Actual Date of Payment (if any)	Remarks
Text	Term Loan, CC					
Row 2						

12. Details of default in payment of principal/interest obligations as on date/ in the month ended <<Month and Year name>>, on our listed and unlisted debt obligations (Securities), in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks
NCD					

Thanking You,  
 Yours faithfully,  
 <Authorized Signatory of Issuer>



# Ratings

CONFIDENTIAL

PFCLMTD/262939/LTBP/031220201  
January 8, 2021

**Mr. Y Venu Gopal**  
Chief General Manager  
**Power Finance Corporation Limited**  
Urjanidhi, Barakhamba Lane,  
Connaught Place  
New Delhi - 110001

Dear Mr. Y Venu Gopal,

**Re: Review of CRISIL Rating on the Rs.98000 crore Long Term Borrowing Programme@ (Enhanced from Rs. 81880 crore) of Power Finance Corporation Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its "CRISIL AAA/Stable" (pronounced as CRISIL triple A rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

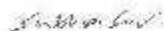
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com).

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subha Sri Narayanan  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



*@Borrowing programme for fiscal 2021 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs 1,18,000 crore. The long-term borrowing programme includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term bank borrowing and short-term borrowings not to exceed Rs 98,000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2021. The long term borrowing programme includes Public Issue of Taxable Non-Convertible Debentures aggregating Rs 10,000 crore*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-207-1301.

CRISIL Ratings Limited  
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[www.crisil.com/ratings](http://www.crisil.com/ratings)





No. CARE/DRO/RR/2020-21/1158

**Ms. Parminder Chopra**  
Executive Director (Finance)  
**Power Finance Corporation Limited**  
Urjanidhi, 1, Barakhamba Lane,  
Connaught Place, New Delhi – 110001

April 17, 2020

Dear Mam,

**Credit rating of Power Finance Corporation Limited for proposed Market Borrowing Programme FY21 of Rs.75,000 crore and CP issue FY21 of Rs.15,000 crore**

Please refer to our letters dated March 23, 2020 on the above subject.

2. The rationale for the rating is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by April 18, 2020, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

**Vidushi Gupta**  
Analyst

[vidushi.gupta@careratings.com](mailto:vidushi.gupta@careratings.com)

**Gaurav Dixit**

Deputy General Manager

[gaurav.dixit@careratings.com](mailto:gaurav.dixit@careratings.com)

Encl.: As above

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CIN-L67190MH1993PLC071691

## Rating Rationale

### Power Finance Corporation Limited

#### Ratings

Instruments	Amount (Rs. Cr)	Rating <sup>1</sup>	Rating Action
Long term market borrowing programme for FY21	70,000	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Short term market borrowing programme for FY21	5,000	CARE A1+ (A One Plus)	Assigned
Commercial Paper issue for FY21	15,000	CARE A1+ (A One Plus)	Assigned

Details of instruments in Annexure-1

#### Detailed Rationale & Key Rating Drivers

The ratings assigned to the market borrowing programme of Power Finance Corporation Limited (PFC) factor in the majority ownership (55.99% stake as on Dec 31, 2019) by the Government of India (GoI) and PFC's strategic importance to GoI, in the development of power infrastructure in India. The rating also draws comfort from PFC's quasi sovereign status that allows it to have a diversified resource profile, adequate profitability and capitalization metrics. However the rating also factors in the risk associated with weakness in PFC's asset quality by way of exposure to private sector, high exposure to weak state power utilities and high sector as well as borrower concentration risks.

With respect to the acquisition of Government of India's (GoI) existing 52.63% equity shareholding in REC Limited by PFC, the acquisition transaction was completed on March 28, 2019 with PFC making a payment of Rs.14,500 crore to GoI. Post the transaction, REC becomes a subsidiary of PFC. PFC is expected to maintain comfortable capital structure and financial profile backed by expectation of continued strong support from GoI;

#### Rating Sensitivities

Going forward, any material change in the shareholding pattern leading to reduced support from GoI is a key rating sensitive. On a standalone basis; PFC's ability to manage adequate capitalization, asset quality, maintain adequate liquidity, and profitability would be the factors to be considered

#### Negative factors

- Any material change in the shareholding pattern and/or reduced expectation of support from GoI
- Further deterioration in the asset quality profile
- Weakness in the capitalization profile with CAR going below regulatory minimum

#### Detailed description of the key rating drivers:

##### Key Rating Strengths

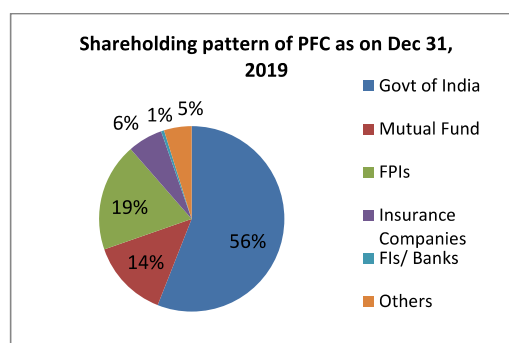
##### Government ownership and status of nodal agency

As a public financial institution, PFC enjoys patronage from and support of GoI because of the pivotal role it plays in financing power projects of both the state and private sector, thereby being instrumental in strengthening the power infrastructure of the country. PFC continues to be a strategically important entity for the government as it is the nodal agency for various GoI's schemes such as Ultra Mega Power Project (UMPP) scheme that is aimed at meeting India's power requirement with each UMPP having a capacity of 4,000 megawatts (MW) or above and the R-APDRP scheme (subsumed into Integrated Power Development Scheme (IPDS)) that is aimed at strengthening and up-gradation of sub transmission and distribution network.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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Additionally the Ministry of Power (MoP) has initiated tariff-based competitive bidding process for development and strengthening of transmission system through private sector participation. PFC Consulting Limited (PFCL), a wholly owned subsidiary of PFC, has been nominated as 'Bid Process Coordinator' by Ministry of Power, Govt. of India for the development of independent transmission projects.



#### Diversified resource profile

As a quasi-sovereign financial institution, PFC is able to manage a well-diversified resource profile and can mobilize funds at cost effective rates from various sources such as external commercial borrowings (ECB), domestic financial institutions, long-term bonds, bank loans, commercial paper, infrastructure bonds and tax free bonds. Since it's a non-deposit accepting NBFC, it has accepted no public deposits and no perpetual debt instruments were issued by PFC in fiscal 2019. End December 2019; PFC's borrowings stood at Rs 289,264 crore, up 16% Y-o-Y or +2% Q-o-Q. The resource profile remained well diversified with 64% of funds emanating from bonds, followed by loans from banks forming another 17% and foreign currency borrowings at 14%. The share of commercial paper remained low at just 1% of total borrowings. For the quarter ending Dec 31, 2019, the company's average borrowing costs (annualized) stood at 7.8%. Overall the share of foreign currency borrowings has been gradually rising and formed 10% of total borrowings end fiscal 2019 as against 8% in fiscal 2018 and 4% two years ago. End December 2019, the share of foreign borrowings stood at 14%.

To mitigate foreign exchange risks, PFC has hedged 67% of the foreign currency portfolio with residual maturity up-to five years. In 9M ended December 2019, the company raised Rs 63,790 crore of funds, of which 75% were domestic raised and remaining 25% were foreign borrowings. In Q3, PFC raised USD 250 million for five year tenure.

#### Trend in borrowings

As on March 31,	2016		2017		2018		2019	
	Rs crore	%	Rs crore	%	Rs crore	%	Rs crore	%
Rupee denominated	189,708	95%	194,144	95.83%	211,278	92.04%	246865	90%
Foreign Currency loans	10,776	5%	8,444	4.17%	18,260	7.96%	28827	10%

#### Adequate capitalization

As on Dec 31, 2019, PFC's Tier 1 and total CAR remained adequate at 14.37% and 19.32% respectively, up from 11.73% and 17.09% respectively reported as on March 31, 2019, though down from 16.98% and 19.99% respectively reported end fiscal 2018. On account of Ind AS adoption from Q1, FY19, PFC's net worth declined by around Rs.3,000 crore (primarily on account of expected credit loss or ECL adjustment) and as a result PFC's overall Tier-1 and CAR capital reduced in fiscal 2019 though remains well above the regulatory minimum requirement of 10% and 15% respectively.

#### Trend in capitalization metrics

	FY 2016	FY 2017	FY 2018	FY 2019	Dec 31, 2019
Tier 1 (%)	17.07	16.20	16.98	11.73	14.37
Total CAR (%)	20.27	19.28	19.99	17.09	19.32

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### Stable profitability metrics

End fiscal 2019, PFC reported net profit of Rs 6,953 crore on total income (net of interest expenses) of Rs 9,459 crore as against net profit of Rs 4,387 crore on total income (net of interest expenses) of Rs 8,606 crore an year ago. While there was some margin contraction with net interest margin at 3.07% end fiscal 2019 as against 3.19% for fiscal 2018, the overall profitability was supported by provision reversals. For the quarter ended December 31, 2019, PFC's net profit stood at Rs 1680 crore, down 19.3% Y-o-Y from Rs 2084 crore reported corresponding quarter last year. Overall, the company reported 7% Y-o-Y rise in net interest income to Rs 2619 crore on the back of 12% Y-o-Y loan growth. Also, in view of stabilizing asset quality concerns, there was further reversal in provisioning expenses. However, the strong core results were partially offset by rise in expenses.

### Key Rating Weakness

#### Growth in credit portfolio with moderation in asset quality

End fiscal 2019, PFC's loan book stood at Rs 314,667 crore, up ~13% Y-o-Y that further increased to Rs 3,32,962 crore as on Dec 31, 2019. The growth in government sector loans (83% of loans outstanding as on March 31, 2019) remained high with such loans up 14% Y-o-Y, while the private sector loans grew by 5% during the year. In the last couple of years, the share of government sector exposure has constituted majority of PFC's loan portfolio and hovering at around 83% while the share of private sector loans has remained around 17-18%.

#### Trend in growth of loans

	FY 2017	FY 2018	FY 2019	June'2019	Sept'2019	Dec'2019
Government (Rs crore)	203,446	228,114	261,055	260,402	268,786	2,77,744
Y-o-Y growth	1%	12%	14%	12%	12%	13%
Private sector (Rs crore)	42,079	50,801	53,612	56,484	56,648	55,218
Y-o-Y growth	10%	21%	5%	9%	8%	7%
<b>Total (Rs crore)</b>	<b>245,525</b>	<b>278,915</b>	<b>314,667</b>	<b>316,886</b>	<b>325,434</b>	<b>3,32,962</b>
Y-o-Y growth	3%	14%	13%	11%	11%	12%

PFC is exempted from following single entity/group exposure norms and concentration limits that are applicable to non-banking finance companies. Subsequently PFC faces high concentration risk with advances to top 20 borrowers constitution 60% of total loans outstanding as on March 31, 2019 as against 58% as on March 31, 2018 and 62.5% end fiscal 2017. Overall, in the last four years till March 31, 2019, the loan book has grown at a four year CAGR of 10%, of which the generation loans grew at a four year CAGR of 7%, while the transmission loans were up 17% (mainly due to lower base). The share of loans towards generation continues to form largest chunk though its share has come down to 71% end March 31, 2019, as against 76% two years ago. End December 31, 2019, PFC's gross loan book stood at Rs 332,692 crore, up 12% Y-o-Y or 2% Q-o-Q. The trend in composition of loan book remains broadly same with government sector contributing to 83% of loans while the share of private sector loans remains unchanged at 17%. For the nine months ending December 31, 2019, the total disbursements stood at Rs 47,246 crore, up 4.6% Y-o-Y, of which ~57% are towards generation, ~33% in distribution and ~10% in transmission.

PFC's reported asset quality metrics continue to be weak with gross non-performing assets (GNPA) and NNPA at 9.39% and 4.55% as on March-19 as against 9.57% and 7.39% reported a year ago. With the reduction in net NPA, PFC's provision coverage ratio (CARE adjusted) have improved to 49% as on March 31, 2019 as against 23% a year ago. Of the total loans, 82% are government sector loans where the servicing of loans is regular and there is no stress. Of the private sector exposure constituting the remaining 18% (as on March 31, 2019), about half of the loans are stressed. So the weakness in loans remains confined to PFC's private sector loan portfolio. Also, the company's book is majorly secured (63%) by either tangible assets or guaranteed by banks/government. The share of guaranteed portfolio has doubled during the year, while the remaining fifth of loans remain unsecured. End Dec 2019, the reported GNPA and NNPA stood at 8.3% and 3.9% respectively and reported a CARE adjusted provision coverage ratio of 53%.

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#### Trend in asset quality

	FY 2017	FY 2018	FY 2019	30-Jun-19	Sept 2019	Dec 2019
GNPA (Rs crore)	30,702	26,703	29,540	30,440	29,466	27,765
NNPA (Rs crore)	25,346	20,600	14,332	14,740	13,917	13,111
GNPA (%)	12.50%	9.57%	9.39%	9.61%	9.05%	8.3%
NNPA (%)	10.32%	7.39%	4.55%	4.65%	4.28%	3.9%
CARE adjusted PCR (%)	17%	23%	49%	52%	53%	53%

#### Liquidity: Adequate

Per PFC's statement of structured liquidity as on December 31, 2019, there are negative cumulative mismatches of Rs.5562 crore in upto 1 year bucket. However, PFC's ability to effectively raise funds in a cost effective manner and financial flexibility arising out of majority sovereign ownership provides comfort to the liquidity profile. PFC had unutilized bank lines to the tune of ~Rs.5300 crore as on March 12, 2020. Also, PFC's ability to mobilize resources from diversified sources and financial flexibility arising from GoI ownership provides cushion to the liquidity profile.

**Analytical approach:** Standalone, factoring in timely equity support from Government of India given PFC is majority owned by GoI and plays strategic role in power sector financing and development in India

#### Applicable Criteria

[Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[CARE Methodology for Non Banking Financial Companies](#)

[Financial Sector –Financial Ratios](#)

[CARE's methodology for Short-term Instruments](#)

[CARE's Methodology for Factoring Linkages in Ratings](#)

#### About the company

PFC was set up in the year 1986 as a Financial Institution (FI) dedicated to power sector financing. The corporation was notified as a public financial institution in 1990 under the Companies Act, 1956. Until 1996, PFC lent exclusively to the public sector entities. Since 1996, it has expanded its customer profile to include private sector power utilities and projects. In the year 2010, RBI had classified the company as 'Infrastructure Finance Company (NBFC-ND-IFC)'. The product portfolio of PFC includes financial products and services like rupee term loan, short-term loan, equipment lease financing and transitional financing services, etc, for various power projects in generation, transmission and distribution sector. PFC's clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers.

#### Financial Performance

	(Rs. Crore)		
As on / Year ended March 31	2017 (12m,A) I-GAAP	2018 (12m,A) IND AS	2019 (12m,A) IND AS
<b>Working Results</b>			
Interest Income from loan financing	26,270	25,562	28,441
Other income	748	418	410
<b>Total Income</b>	<b>27,019</b>	<b>25,980</b>	<b>28,851</b>
Operating Expenses	356	788	925
Total Provision / Write offs	5,094	2,391	-871
Interest	16,459	16,956	18,982
<b>PBT</b>	<b>5,110</b>	<b>5,845</b>	<b>9,816</b>
<b>PAT</b>	<b>2,126</b>	<b>4,387</b>	<b>6,953</b>

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As on / Year ended March 31	2017 (12m,A) I-GAAP	2018 (12m,A) IND AS	2019 (12m,A) IND AS
<b>Financial Position</b>			
Tangible Net worth	36,470	32,408	39,227
Total Borrowings	2,02,588	2,36,785	2,95,239
Total Loan Portfolio	2,45,525	278,915	3,14,667
Total Assets	2,58,461	2,75,360	3,40,794
<b>Key Ratios (%)</b>			
<b>Solvency</b>			
Overall Gearing (times)	5.55	7.31	7.53
Capital Adequacy Ratio (CAR) (%)	19.28	19.99	17.09
Tier I CAR (%)	16.2	16.98	11.73
Interest Coverage (times)	1.31	1.34	1.52
<b>Profitability</b>			
Net Interest Margin	3.95%	3.19%	3.07%
Return on Total Assets (ROTA)	0.83%	1.63%	2.26%
Operating expenses to Total Assets	0.14%	0.29%	0.30%
<b>Asset Quality</b>			
Gross NPA Ratio	12.50%	9.57%	9.39%
Net NPA Ratio	10.32%	7.39%	4.55%
Net NPA to Net worth	69.50%	63.56%	36.54%

A: Audited

Note: Ratios have been computed based on average of annual opening and closing balances

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Borrowings-Market Borrowing Programme-LT		Proposed		70000.00	CARE AAA; Stable
Short Term Instruments-Short Term Borrowing		Proposed		5000.00	CARE A1+
Commercial Paper		Proposed		15000.00	CARE A1+

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Borrowings-Market Borrowing Programme	LT	11219.50	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
2.	Borrowings-Market Borrowing Programme	LT	8674.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)
3.	Debt-Subordinate Debt	LT	3800.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)
4.	Borrowings-Market Borrowing Programme	LT	34434.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16)
5.	Borrowings-Market Borrowing Programme	LT	13880.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (13-Dec-16) 2)CARE AAA (07-Oct-16) 3)CARE AAA / CARE A1+ (14-Apr-16)
6.	Borrowings-Market Borrowing Programme	LT	41115.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (06-Oct-17)	1)CARE AAA; Stable (17-Mar-17) 2)CARE AAA; Stable (13-Dec-16) 3)CARE AAA (17-Nov-16) 4)CARE AAA (07-Oct-16) 5)CARE AAA (09-Jun-16) 6)CARE AAA (24-May-16) 7)CARE AAA (14-Apr-16)
7.	Short Term Instruments-Short Term Borrowing	ST	0.00	CARE A1+	-	-	1)CARE A1+ (06-Oct-17)	1)CARE A1+ (17-Mar-17) 2)CARE A1+

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
								(13-Dec-16) 3)CARE A1+ (17-Nov-16) 4)CARE A1+ (07-Oct-16) 5)CARE A1+ (09-Jun-16) 6)CARE A1+ (24-May-16) 7)CARE A1+ (14-Apr-16)
8.	Borrowings-Market Borrowing Programme	LT	33118.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (13-Dec-18) 2)CARE AAA; Stable (26-Sep-18)	1)CARE AAA; Stable (01-Mar-18) 2)CARE AAA; Stable (06-Oct-17) 3)CARE AAA; Stable (20-Sep-17) 4)CARE AAA; Stable (04-Sep-17) 5)CARE AAA; Stable / CARE A1+ (25-Apr-17)	-
9.	Short Term Instruments-Short Term Borrowing	ST	1925.00	CARE A1+	1)CARE A1+ (03-Oct-19)	1)CARE A1+ (13-Dec-18) 2)CARE A1+ (26-Sep-18)	1)CARE A1+ (06-Oct-17) 2)CARE A1+ (20-Sep-17) 3)CARE A1+ (04-Sep-17) 4) (25-Apr-17)	-
10.	Borrowings-Market Borrowing Programme	LT	80000.00	CARE AAA; Stable	1)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (28-Mar-19) 2)CARE AAA; Stable (13-Dec-18) 3)CARE AAA; Stable (05-Dec-18) 4)CARE AAA; Stable (05-Nov-18) 5)CARE AAA;	-	-

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
						Stable (26-Sep-18) 6)CARE AAA; Stable (03-Apr-18)		
11.	Short Term Instruments-Short Term Borrowing	ST	4000.00	CARE A1+	1)CARE A1+ (03-Oct-19)	1)CARE A1+ (28-Mar-19) 2)CARE A1+ (13-Dec-18) 3)CARE A1+ (05-Dec-18) 4)CARE A1+ (05-Nov-18) 5)CARE A1+ (26-Sep-18) 6)CARE A1+ (24-Apr-18) 7)CARE A1+ (03-Apr-18)	-	-
12.	Commercial Paper	ST	13000.00	CARE A1+	1)CARE A1+ (03-Oct-19)	1)CARE A1+ (13-Dec-18) 2)CARE A1+ (05-Dec-18) 3)CARE A1+ (05-Nov-18) 4)CARE A1+ (26-Sep-18) 5)CARE A1+ (24-Apr-18)	-	-
13.	Borrowings-Market Borrowing Programme	LT	88000.00	CARE AAA; Stable	1)CARE AAA; Stable (21-Feb-20) 2)CARE AAA; Stable (11-Nov-19) 3)CARE AAA; Stable (03-Oct-19)	1)CARE AAA; Stable (28-Mar-19)	-	-
14.	Short Term Instruments-Short Term Borrowing	ST	2000.00	CARE A1+	1)CARE A1+ (21-Feb-20) 2)CARE A1+ (11-Nov-19) 3)CARE A1+ (03-Oct-19)	1)CARE A1+ (28-Mar-19)	-	-
15.	Commercial Paper	ST	10000.00	CARE	1)CARE A1+	1)CARE A1+	-	-

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
				A1+	(21-Feb-20) 2)CARE A1+ (11-Nov-19) 3)CARE A1+ (03-Oct-19)	(28-Mar-19)		
16.	Borrowings-Market Borrowing Programme	LT	70000.00	CARE AAA; Stable	-	-	-	-
17.	Short Term Instruments-Short Term Borrowing	ST	5000.00	CARE A1+	-	-	-	-
18.	Commercial Paper	ST	15000.00	CARE A1+	-	-	-	-

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**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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*This follows are press release for the entity published on March 23, 2020*

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CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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

## CARE Ratings Ltd.

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April 01, 2020

**Power Finance Corporation Ltd.: [ICRA]AAA(Stable)/[ICRA]A1+ Rating assigned for fresh borrowing programme; earlier ratings reaffirmed**

**Summary of rating action**

<b>Instrument*</b>	<b>Previous Rated Amount (Rs. crore)</b>	<b>Current Rated Amount (Rs. crore)</b>	<b>Rating Action</b>
Long-term borrowing programme FY2021	-	70,000.00	[ICRA]AAA(Stable); Assigned
Short-term borrowing programme FY2021	-	20,000.00	[ICRA]A1+; Assigned
Overall borrowing programme FY2021	-	90,000.00	
Long-term borrowing programme FY2020	88,000.00	88,000.00	[ICRA]AAA(Stable); Reaffirmed
Short-term borrowing programme FY2020	12,000.00	12,000.00	[ICRA]A1+; Reaffirmed
Overall borrowing programme FY2020	1,00,000.00	1,00,000.00	
Short-term borrowing programme FY2019	17,000	-	[ICRA]A1+; Withdrawn <sup>#</sup>
Long-term/short-term borrowing programmes from earlier years	2,02,125.72	2,02,125.72	[ICRA]AAA(Stable), [ICRA]A1+; Reaffirmed
Long-term/short-term borrowing programmes from earlier years	2,12,379.28	-	[ICRA]AAA(Stable)/[ICRA]A1+; Withdrawn <sup>#</sup>
<b>Total</b>	<b>5,31,505.00</b>	<b>3,92,125.72</b>	

*\*Instrument details are provided in Annexure-1; # Withdrawn as ISINs stand fully redeemed basis publicly available information*

**Rationale**

While arriving at the ratings, ICRA has taken a consolidated view of the credit profiles of Power Finance Corporation Ltd. (PFC) and REC Limited (REC), as REC is a subsidiary of PFC and both entities are in a similar line of business with strategic importance to the Government of India (GoI) and overlapping clientele.

The ratings continue to draw significant strength from PFC's sovereign ownership<sup>1</sup>, its importance to the GoI, given its important role as a nodal agency for various power sector schemes, and its dominant market position (including REC) in the power sector financing segment. The ratings also continue to draw comfort from PFC's healthy financial flexibility by virtue of its ownership and adequate profitability profile.

These strengths are partly offset by the company's exposure to a single sector (i.e. power) with a high concentration towards state power utilities as well as the vulnerability of its exposure to private sector borrowers (17% and 14% of the loan book as on December 31, 2019, at the standalone and consolidated level, respectively). This is reflected by the asset quality indicators with the stage 3 assets at 8.3% and 7.4% of total advances at the standalone and consolidated level, respectively, as of December 31, 2019.

<sup>1</sup> 56% held by the GoI as on December 31, 2019

ICRA notes that while PFC's capitalisation level was characterised by a comfortable Tier I capital of 15.95% as of December 31, 2018, the cushion over the regulatory levels declined with the Tier I capital at 11.7% as of March 31, 2019 post the acquisition of the Gol's stake in REC by PFC in March 2019. The acquisition impacted the company's capitalisation level as it had to knock off its investment (in excess of 10% of its net owned funds (NOF)) in REC from its NOF for capital adequacy calculations. Nevertheless, the capitalisation level remained above the regulatory threshold of 10% and is improving steadily, as also seen in 9M FY2020, with the Tier I improving to 14.37% as on December 31, 2019. Further, ICRA notes that the consolidated leverage increased (8.2 times as of December 31, 2019 compared to 6.9 times prior to the acquisition) and the consolidated solvency (Net Stage 3 Assets/Tier I Capital) was impacted by the aforesaid transaction and stood at 38% as on December 31, 2019 (43% as on September 30, 2019).

ICRA believes that prudent capitalisation is a key mitigant against the risks in PFC's portfolio arising out of the sectoral and credit concentration. A gradual and sustained improvement is expected in the consolidated solvency to a level comfortably below 40% with healthy internal capital generation, recoveries and no major incremental slippages over the medium term. Also, based on discussions with the managements and stakeholders of both entities, including the principal shareholder, ICRA understands that PFC and REC remain important vehicles for the implementation of the Gol's various power sector schemes, and support, if needed, will be forthcoming from the Gol. Support to REC, if required, will be extended by the Gol through PFC.

The Stable outlook reflects ICRA's expectation that PFC, along with REC, will remain strategically important to the Gol and will continue to play a major role in various power sector schemes of the Government. Consequently, PFC and REC are likely to retain a dominant position in power sector financing, while maintaining an adequate profitability, borrowing and capitalisation profile. With PFC and REC becoming a part of the same group, there could be some challenges in incremental fund-raising owing to the group exposure limits that the lenders might have. However, the impact of the same, if any, on a sustained basis, would only be visible over the medium term. Overall, PFC's ability to grow its loan book while maintaining adequate profitability and controlling credit costs would remain a monitorable.

## Key rating drivers and their description

### Credit strengths

**Majority ownership by Gol and strategic importance, given the role played in implementing various Gol schemes and dominant position in power sector financing** – Being nodal agencies for implementing various Gol schemes aimed at developing the country's power sector (such as Ultra Mega Power Projects (UMPPs) and the Integrated Power Development (IPD) Scheme), PFC and REC remain strategically important to the Gol for achieving its objective of augmenting power capacity across the country. Further, the Gol remains a majority shareholder in PFC, with a stake of ~56% as of December 31, 2019, and has representation on the company's board. Given the Gol's support, PFC has been able to raise funds at competitive rates. Precedents, wherein it received approval from the Gol to raise tax-free and 54EC low-cost capital gain bonds, provide comfort with respect to its financial flexibility, ability to raise low-cost funds, and maintain a diversified borrowing profile. Also, PFC has an experienced management team with the senior team having an experience of more than 30 years in power financing. Moreover, the company, along with REC, has maintained a dominant position in power sector financing with a large share of funding to state power utilities. ICRA notes that PFC's acquisition of REC further strengthened its position, while supporting better portfolio diversity, compared to individual entities. At the same time, with PFC and REC becoming a part of the same group, challenges in incremental fund-raising owing to the group exposure limits that the lenders might have, will remain a monitorable over the medium term.

**Adequate profitability profile** – Given the increased share of non-performing advances, PFC and REC's yield on loan assets moderated to the sub-10% range during the past three years compared to a level well over 10.5% in FY2017. The cost of funds, however, witnessed a lower decline during this period, leading to a decline in spreads. Consequently, the

net interest margins (NIMs) were lower at less than 3% during FY2018-9M FY2020 compared to a level close to 4% in FY2017. Nevertheless, the company's profitability remains adequate with a return on equity (RoE) of 12.4% and 17.3% at the standalone and consolidated level, respectively, in 9M FY2020. At the standalone level, PFC's five-year average RoA and RoE for FY2015-FY2019 stood at 2.0% and 15%, respectively. Also, while the sizeable investment in REC impacts PFC's standalone margins, the impact on profitability is likely to be partially offset by the profit in the form of the dividend declared by REC. Incrementally, PFC is likely to maintain a spread of 2.5-3% on its lending. ICRA, however, notes that PFC's credit costs could increase if there is a higher-than-expected haircut on the stressed private sector exposures or there are sizeable fresh slippages, thereby adversely impacting the profitability.

### Credit challenges

**Moderation of capitalisation level on REC acquisition** – The acquisition of REC impacted PFC's capitalisation level, given the requirement to knock off its investment (in excess of 10% of its NOF) in REC from its NOF for capital adequacy calculations. Thus, while PFC's capitalisation level was characterised by a comfortable Tier I capital of 15.95% as of December 31, 2018, the cushion reduced with the Tier I capital at 11.7% as of March 31, 2019. Nevertheless, the capitalisation level remained above the regulatory threshold of 10% and is improving steadily, as also seen in 9M FY2020, with the Tier I improving to 14.37% as on December 31, 2019. Further, ICRA notes that the consolidated leverage increased (8.2 times as of December 31, 2019 compared to 6.9 times prior to the acquisition) and the consolidated solvency (Net Stage 3 Assets/Tier I Capital) was impacted by the aforesaid transaction and stood at 38% as on December 31, 2019 (43% as on September 30, 2019).

ICRA believes that prudent capitalisation is a key mitigant against the risks in PFC's portfolio arising out of the sectoral and credit concentration. A gradual and sustained improvement is expected in the consolidated solvency to a level comfortably below 40% with healthy internal capital generation, recoveries and no major incremental slippages over the medium term. Also, based on discussions with the managements and stakeholders of both entities, including the principal shareholder, ICRA understands that PFC and REC remain important vehicles for the implementation of the Gol's various power sector schemes, and support, if needed, will be forthcoming from the Gol. Support to REC, if required, will be extended by the Gol through PFC. This provides comfort as the Gol's stake in PFC is limited at ~56%, which constrains the company's ability to raise capital from non-Government sources without diluting the Gol's shareholding, unless the Gol participates in such capital-raising programmes.

**High concentration risk and portfolio vulnerability** – PFC's exposure to a single sector (i.e. power), the large ticket size of loans, high concentration of exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers (17% and 15% of the loan book as on December 31, 2019, at the standalone and consolidated level, respectively) increase its portfolio vulnerability. The risk is further heightened as PFC and REC are exempt<sup>2</sup> from the concentration norms applicable to non-banking financial companies (NBFCs), and thus have relatively concentrated exposures. PFC's independent power producer (IPP) portfolio remains impacted by concerns regarding fuel availability, disputed and competitive power sale tariffs, absence of power purchase agreements (PPAs), environmental clearance and land acquisition issues.

PFC's gross stage 3 assets as of December 31, 2019 stood at 8.3% and 7.4% of total advances at the standalone and consolidated level, respectively. With provision covers of 53% and 52%, respectively, at the standalone and consolidated level, the net stage 3 assets as of December 31, 2019 stood at 4.1% and 3.7% of total advances at the standalone and consolidated level, respectively. Over 50% of the consolidated private sector book is recognised as a part of the Stage III assets on which the company has made provisions of 52%. It might have to create additional provisions if it is unable to

<sup>2</sup> Exemption available in case of lending to state government entities

effectively resolve the stressed assets. ICRA, however, believes that any incremental stress in the loan book is likely to be restricted to the private sector book, wherein most of the stressed loans are already in Stage III. Going forward, the company's ability to grow its loan book, while controlling the credit costs and maintaining profitability, would be imperative.

### Liquidity position: Adequate

PFC's asset liability maturity (ALM) profile is characterised by cumulative negative mismatches in the up to one-year buckets (~6% of the total assets as of March 2019, considering principal amounts only), given the relatively long tenure of the loans extended by it. While these gaps can be partially bridged through sizeable unutilised bank lines (about Rs. 5,300 crore as of March 12, 2020), the company also relies on interest income and refinancing to repay its maturing debt. ICRA notes that the cumulative negative mismatches, considering both principal and interest amounts, in the up to one-year buckets are relatively lower though still sizeable (~1.7% and 3.5% of the loans assets as of December 2019 and March 2019, respectively). Also, the gaps could widen if the entity permits the underlying borrowers to defer repayments by three months, in line with the RBI's latest directions. However, the healthy financial flexibility, supported by the sovereign ownership and the ability to raise funds at short notice, provides comfort.

### Rating sensitivities

**Positive triggers** – Not applicable

**Negative triggers** – ICRA could change the rating outlook to Negative or downgrade the ratings on a change in ownership and/or a change in PFC's strategic role or importance to the GoI. Also, a deterioration in the consolidated solvency (Net Stage III/Tier I Capital) of PFC and REC, to a level above 40% on a sustained basis, will be a negative for the credit profile.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a>
Parent/Group Support	The ratings derive strength from PFC's majority ownership by the GoI (56% as on December 31, 2019) and its important role as a nodal agency for various power sector schemes of the Government. The GoI ownership supports PFC's financial flexibility.
Consolidation/Standalone	Consolidation

### About the company

PFC, incorporated in 1986, is a non-banking financial company (NBFC) with infrastructure finance company status. It was set up by the Government of India (GoI) as a specialised development financial institution to fund projects in the domestic power sector. The GoI held a 56% stake in the company as on December 31, 2019.

PFC provides loans for a range of power sector activities including generation, distribution, transmission, and plant renovation and maintenance. It finances state sector entities including generating and distribution companies as well as IPPs. PFC is also the nodal agency for the development of Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS) and the bid process coordinator for the Independent Transmission Projects (ITP) Scheme.

PFC is the promoter and holding company of REC Limited. In March 2019, it acquired 103.94-crore equity shares of REC from the President of India constituting 52.63% of the paid-up share capital of REC. The cash purchase consideration for the transaction was Rs. 139.50 per share, implying a total acquisition cost of ~Rs. 14,500 crore.

PFC, on a standalone basis, reported a profit after tax (PAT) of Rs. 6,953 crore in FY2019 compared to PAT of Rs. 4,387 crore in FY2018. Subsequently, in 9M FY2020, it achieved a PAT of Rs. 4,220 crore compared to Rs. 4,835 crore in 9M FY2019. As of December 31, 2019, its reported capital adequacy was 19.3% with Tier I of 14.4% (CRAR and Tier I stood at 17.1% and 11.7%, respectively, as of March 31, 2019), and it had a total loan book of Rs. 3,32,962 crore (Rs. 3,14,667 crore as of March 31, 2019). PFC's exposure to state power utilities and Central and joint sector entities accounts for 83% of its total advances.

At the consolidated level, PFC achieved a PAT of Rs. 8,784 crore in 9M FY2020 (Rs. 9,249 crore in 9M FY2019), following the PAT of Rs. 12,640 crore reported in FY2019. As of December 31, 2019, its reported capital adequacy was 18.1% (16.8% as on March 31, 2019), and it had a total loan book of Rs. 6,40,387 crore (Rs. 5,96,142 crore as on March 31, 2019).

### Key financial indicators

	Standalone			Consolidated	
	FY2018	FY2019	9M FY2020*	FY2019	9M FY2020*
Accounting Standard	Ind-AS	Ind-AS	Ind-AS	Ind-AS	Ind-AS
PAT	4,387	6,953	4,220	12,640	8,784
Net Worth	36,956	43,288	47,227	63,484	71,664
Loan Book	2,78,915	3,14,667	3,32,962	5,96,142	6,40,387
CRAR (%)	17.1%	17.1%	19.3%	16.8%	18.1%
Tier I (%)	14.0%	11.7%	14.4%	12.4%	NA
Gearing (ex. Govt FSBs; times)	6.4	6.8	6.3	8.5	7.9
Return on Net Worth (%)	12.1%	17.3%	12.4%	21.3%	17.3%
Gross Stage 3 (%)	9.6%	9.4%	8.3%	8.4%	7.4%
Net Stage 3 (%)	4.8%	4.8%	4.1%	4.4%	3.7%
Net Stage 3/Net Worth	34%	33%	28%	39%	32%
Net Stage 3/Tier I	42%	60%	45%	50%	38%

Source: Financial statements of PFC and REC; Amounts in Rs. crore; \*Unaudited

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**





### Rating history for last three years

Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years										
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Rating		FY2019								FY2018	FY2017
				01-Apr-20	18-Nov-19	28-Mar-19	19-Mar-19	27-Feb-19	12-Dec-18	6-Dec-18	5-Nov-18	5-Apr-18	6-Apr-17	7-Apr-16	
1	LT borrowing programme FY2021	70,000	-	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-
2	ST borrowing programme FY2021	20,000	-	[ICRA]A1+	-	-	-	-	-	-	-	-	-	-	-
3	LT borrowing programme FY2020	88,000	38,887*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-	-
4	ST borrowing programme FY2020	12,000	2,961~	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-	-	-	-
5	ST borrowing programme FY2019	-	-	[ICRA]A1+ Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-
6	LT/ST borrowing programmes from earlier years	2,02,125.72	2,02,125.72*	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA &/A1+	[ICRA]AAA &/A1+	[ICRA]AAA &/A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	
7	LT/ST borrowing programmes from earlier years	-	-	[ICRA]AAA (Stable)/ [ICRA]A1+ Withdrawn	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA &/A1+	[ICRA]AAA &/A1+	[ICRA]AAA &/A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	

Note: LT: Long term, ST: Short term; Long-term/short-term borrowing programmes include bonds, commercial papers, bank lines and other instruments; & Under Rating Watch with Developing Implications; \* Outstanding as on December 31, 2019; ~ Rs. 2,961-crore CPs were outstanding as on December 31, 2019 (outstanding STIs not captured in outstanding)  
Source: ICRA research

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#### **Complexity level of the rated instrument**

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
INE134E08693	NCD	30-Dec-02	8.10%	30-Dec-22	750.0	[ICRA]AAA (Stable)
INE134E08925	NCD	31-May-06	8.85%	31-May-21	600.0	[ICRA]AAA (Stable)
INE134E08BP2	NCD	7-Aug-09	8.60%	7-Aug-24	866.5	[ICRA]AAA (Stable)
INE134E08CN5	NCD	15-Dec-09	8.50%	15-Dec-24	351.0	[ICRA]AAA (Stable)
INE134E08CPO	NCD	15-Jan-10	8.80%	15-Jan-25	1172.6	[ICRA]AAA (Stable)
INE134E08CS4	NCD	15-Mar-10	8.90%	15-Mar-25	184.0	[ICRA]AAA (Stable)
INE134E08CU0	NCD	30-Mar-10	8.95%	30-Mar-20	492.0	[ICRA]AAA (Stable)
INE134E08CV8	NCD	30-Mar-10	8.95%	30-Mar-25	492.0	[ICRA]AAA (Stable)
INE134E08CX4	NCD	14-May-10	8.70%	14-May-20	1337.5	[ICRA]AAA (Stable)
INE134E08CY2	NCD	14-May-10	8.70%	14-May-25	1337.5	[ICRA]AAA (Stable)
INE134E08CZ9	NCD	15-Jun-10	8.65%	15-Jun-20	500.0	[ICRA]AAA (Stable)
INE134E08DA0	NCD	15-Jun-10	8.75%	15-Jun-25	1532.0	[ICRA]AAA (Stable)
INE134E08DB8	NCD	15-Jun-10	8.85%	15-Jun-30	633.0	[ICRA]AAA (Stable)
INE134E08DE2	NCD	4-Aug-10	8.70%	15-Jul-20	1424.0	[ICRA]AAA (Stable)
INE134E08DG7	NCD	15-Nov-10	8.78%	15-Nov-20	1549.0	[ICRA]AAA (Stable)
INE134E08DH5	NCD	15-Dec-10	9.05%	15-Dec-20	192.7	[ICRA]AAA (Stable)
INE134E08DI3	NCD	15-Dec-10	9.05%	15-Dec-25	192.7	[ICRA]AAA (Stable)
INE134E08DJ1	NCD	15-Dec-10	9.05%	15-Dec-30	192.7	[ICRA]AAA (Stable)
INE134E08DL7	NCD	14-Jan-11	8.99%	15-Jan-21	1219.0	[ICRA]AAA (Stable)
INE134E08DM5	NCD	15-Apr-11	9.18%	15-Apr-21	1000.0	[ICRA]AAA (Stable)
INE134E08DN3	NCD	9-Jun-11	9.70%	9-Jun-21	1693.2	[ICRA]AAA (Stable)
INE134E08DQ6	NCD	29-Jun-11	9.61%	29-Jun-21	2084.7	[ICRA]AAA (Stable)
INE134E08DR4	NCD	1-Aug-11	9.36%	1-Aug-21	2589.4	[ICRA]AAA (Stable)
INE134E08DS2	NCD	1-Aug-11	9.46%	1-Aug-26	1105.0	[ICRA]AAA (Stable)
INE134E08DU8	NCD	1-Sep-11	9.45%	1-Sep-26	2568.0	[ICRA]AAA (Stable)
INE134E07117	NCD	15-Oct-11	7.51%	15-Oct-21	205.2	[ICRA]AAA (Stable)
INE134E07125	NCD	15-Oct-11	7.75%	15-Oct-26	218.0	[ICRA]AAA (Stable)
INE134E07133	NCD	25-Nov-11	8.09%	25-Nov-21	334.3	[ICRA]AAA (Stable)
INE134E07141	NCD	25-Nov-11	8.16%	25-Nov-26	209.3	[ICRA]AAA (Stable)
INE134E08EG5	NCD	6-Mar-12	9.30%	15-Apr-20	79.5	[ICRA]AAA (Stable)
INE134E08EH3	NCD	6-Mar-12	9.26%	15-Apr-23	736.0	[ICRA]AAA (Stable)
INE134E08EO9	NCD	28-Mar-12	9.48%	15-Apr-22	184.7	[ICRA]AAA (Stable)
INE134E08EX0	NCD	21-Aug-12	9.29%	21-Aug-22	640.0	[ICRA]AAA (Stable)
INE134E07299	NCD	22-Nov-12	7.21%	22-Nov-22	255.0	[ICRA]AAA (Stable)
INE134E07307	NCD	22-Nov-12	7.38%	22-Nov-27	25.0	[ICRA]AAA (Stable)
INE134E07315	NCD	29-Nov-12	7.22%	29-Nov-22	30.0	[ICRA]AAA (Stable)
INE134E07323	NCD	29-Nov-12	7.38%	29-Nov-27	100.0	[ICRA]AAA (Stable)
INE134E08FJ6	NCD	4-Mar-13	8.84%	4-Mar-23	1310.0	[ICRA]AAA (Stable)
INE134E08FL2	NCD	11-Mar-13	9.00%	11-Mar-28	1370.0	[ICRA]AAA (Stable)
INE134E08FN8	NCD	18-Mar-13	8.90%	18-Mar-23	403.0	[ICRA]AAA (Stable)
INE134E08FO6	NCD	18-Mar-13	8.90%	18-Mar-28	403.0	[ICRA]AAA (Stable)
INE134E08FP3	NCD	18-Mar-13	8.87%	18-Mar-23	70.0	[ICRA]AAA (Stable)
INE134E08FQ1	NCD	25-Mar-13	8.94%	25-Mar-28	2807.0	[ICRA]AAA (Stable)
INE134E08FT5	NCD	14-Jun-13	8.19%	14-Jun-23	800.0	[ICRA]AAA (Stable)
INE134E07372	NCD	30-Aug-13	8.01%	30-Aug-23	113.0	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
INE134E07380	NCD	30-Aug-13	8.46%	30-Aug-28	1011.1	[ICRA]AAA (Stable)
INE134E08FW9	NCD	13-Jan-14	9.65%	13-Jan-24	1000.0	[ICRA]AAA (Stable)
INE134E07505	NCD	31-Jan-14	9.70%	31-Jan-21	270.0	[ICRA]AAA (Stable)
INE134E08FX7	NCD	21-Feb-14	9.70%	21-Feb-24	2000.0	[ICRA]AAA (Stable)
INE134E08GA3	NCD	7-Jul-14	9.20%	7-Jul-21	700.0	[ICRA]AAA (Stable)
INE134E08GD7	NCD	19-Aug-14	9.37%	19-Aug-24	855.0	[ICRA]AAA (Stable)
INE134E08GG0	NCD	27-Aug-14	9.39%	27-Aug-24	460.0	[ICRA]AAA (Stable)
INE134E08GH8	NCD	27-Aug-14	9.39%	27-Aug-29	460.0	[ICRA]AAA (Stable)
INE134E08GK2	NCD	8-Oct-14	8.98%	8-Oct-24	961.0	[ICRA]AAA (Stable)
INE134E08GLO	NCD	8-Oct-14	8.98%	8-Oct-24	950.0	[ICRA]AAA (Stable)
INE134E08GR7	NCD	28-Nov-14	8.66%	27-Nov-21	200.0	[ICRA]AAA (Stable)
INE134E08GT3	NCD	9-Dec-14	8.55%	9-Dec-21	1200.0	[ICRA]AAA (Stable)
INE134E08GU1	NCD	9-Dec-14	8.48%	9-Dec-24	1000.0	[ICRA]AAA (Stable)
INE134E08GV9	NCD	29-Dec-14	8.65%	28-Dec-24	2826.0	[ICRA]AAA (Stable)
INE134E08GW7	NCD	5-Jan-15	8.65%	4-Jan-25	5000.0	[ICRA]AAA (Stable)
INE134E08GY3	NCD	10-Mar-15	8.20%	10-Mar-25	1600.0	[ICRA]AAA (Stable)
INE134E08HC7	NCD	19-Mar-15	8.42%	18-Apr-20	200.0	[ICRA]AAA (Stable)
INE134E08HD5	NCD	19-Mar-15	8.39%	19-Apr-25	925.0	[ICRA]AAA (Stable)
INE134E08HF0	NCD	27-Mar-15	8.38%	27-Apr-20	1350.0	[ICRA]AAA (Stable)
INE134E08HG8	NCD	27-Mar-15	8.41%	27-Mar-25	5000.0	[ICRA]AAA (Stable)
INE134E07521	NCD	17-Jul-15	7.16%	17-Jul-25	300.0	[ICRA]AAA (Stable)
INE134E08HP9	NCD	24-Jul-15	8.53%	24-Jul-20	2700.0	[ICRA]AAA (Stable)
INE134E08HQ7	NCD	10-Aug-15	8.45%	10-Aug-20	1000.0	[ICRA]AAA (Stable)
INE134E08HV7	NCD	4-Sep-15	8.36%	4-Sep-20	1250.0	[ICRA]AAA (Stable)
INE134E08HW5	NCD	18-Sep-15	8.46%	18-Sep-20	1000.0	[ICRA]AAA (Stable)
INE134E08HX3	NCD	18-Sep-15	8.40%	18-Sep-25	1000.0	[ICRA]AAA (Stable)
INE134E08ID3	NCD	27-Apr-16	8.05%	27-Apr-21	300.0	[ICRA]AAA (Stable)
INE134E08IE1	NCD	2-May-16	8.03%	2-May-26	1000.0	[ICRA]AAA (Stable)
INE134E08IG6	NCD	31-May-16	8.04%	30-May-20	100.0	[ICRA]AAA (Stable)
INE134E08IH4	NCD	16-Aug-16	7.50%	16-Aug-21	2660.0	[ICRA]AAA (Stable)
INE134E08II2	NCD	16-Aug-16	7.63%	14-Aug-26	1675.0	[ICRA]AAA (Stable)
INE134E08IJ0	NCD	16-Sep-16	7.47%	16-Sep-21	2260.0	[ICRA]AAA (Stable)
INE134E08IK8	NCD	16-Sep-16	7.56%	16-Sep-26	210.0	[ICRA]AAA (Stable)
INE134E08IL6	NCD	26-Sep-16	7.55%	25-Sep-26	4000.0	[ICRA]AAA (Stable)
INE134E08IM4	NCD	30-Sep-16	7.40%	30-Sep-21	1830.0	[ICRA]AAA (Stable)
INE134E08IN2	NCD	22-Dec-16	7.27%	22-Dec-21	1101.0	[ICRA]AAA (Stable)
INE134E08IO0	NCD	5-Jan-17	7.23%	5-Jan-27	2635.0	[ICRA]AAA (Stable)
INE134E08IP7	Gol FSB	11-Jan-17	7.10%	11-Jan-27	200.0	[ICRA]AAA (Stable)
INE134E08IQ5	NCD	17-Jan-17	6.83%	15-Apr-20	2000.0	[ICRA]AAA (Stable)
INE134E08IR3	Gol FSB	20-Jan-17	7.18%	20-Jan-27	1335.0	[ICRA]AAA (Stable)
INE134E08IS1	NCD	15-Feb-17	7.05%	15-May-20	2551.0	[ICRA]AAA (Stable)
INE134E08IT9	Gol FSB	20-Feb-17	7.60%	20-Feb-27	1465.0	[ICRA]AAA (Stable)
INE134E08IW3	NCD	17-Mar-17	7.50%	17-Sep-20	2435.0	[ICRA]AAA (Stable)
INE134E08IX1	Gol FSB	22-Mar-17	7.75%	22-Mar-27	2000.0	[ICRA]AAA (Stable)
INE134E08IY9	NCD	27-Mar-17	7.42%	26-Jun-20	3605.0	[ICRA]AAA (Stable)
INE134E08IZ6	NCD	5-May-17	7.46%	5-Jun-20	1180.0	[ICRA]AAA (Stable)
INE134E08JA7	NCD	30-May-17	7.30%	30-Jun-20	1560.0	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
INE134E08JB5	NCD	12-Jun-17	7.28%	10-Jun-22	1950.0	[ICRA]AAA (Stable)
INE134E08JC3	NCD	12-Jun-17	7.44%	11-Jun-27	1540.0	[ICRA]AAA (Stable)
INE134E08JD1	NCD	8-Aug-17	7.10%	8-Aug-22	3395.0	[ICRA]AAA (Stable)
INE134E08JE9	NCD	8-Aug-17	7.30%	7-Aug-27	1500.0	[ICRA]AAA (Stable)
INE134E08JF6	NCD	22-Nov-17	7.35%	22-Nov-22	800.0	[ICRA]AAA (Stable)
INE134E08JG4	NCD	22-Nov-17	7.65%	22-Nov-27	2001.0	[ICRA]AAA (Stable)
INE134E08JH2	NCD	15-Dec-17	7.62%	15-Dec-27	5000.0	[ICRA]AAA (Stable)
INE134E08JI0	NCD	30-Jan-18	7.74%	29-Jan-28	850.0	[ICRA]AAA (Stable)
INE134E08JJ8	NCD	12-Feb-18	7.73%	12-Mar-21	505.0	[ICRA]AAA (Stable)
INE134E08JK6	NCD	12-Feb-18	7.73%	5-Apr-21	1325.0	[ICRA]AAA (Stable)
INE134E08JM2	NCD	15-Mar-18	7.75%	15-Apr-21	600.0	[ICRA]AAA (Stable)
INE134E08JO8	NCD	20-Mar-18	7.99%	20-Dec-22	1295.0	[ICRA]AAA (Stable)
INE134E08JP5	NCD	3-Apr-18	7.85%	3-Apr-28	3855.0	[ICRA]AAA (Stable)
INE134E08JQ3	NCD	10-Oct-18	8.95%	10-Oct-28	3000.0	[ICRA]AAA (Stable)
INE134E08JR1	NCD	19-Nov-18	8.67%	19-Nov-28	1007.4	[ICRA]AAA (Stable)
INE134E08JS9	NCD	19-Nov-18	8.64%	19-Nov-33	528.4	[ICRA]AAA (Stable)
INE134E08JT7	NCD	22-Feb-19	8.75%	22-Feb-34	2654.0	[ICRA]AAA (Stable)
INE134E08JU5	NCD	11-Mar-19	8.45%	11-Aug-22	2155.0	[ICRA]AAA (Stable)
INE134E08JV3	NCD	14-Mar-19	8.20%	14-Sep-20	3500.0	[ICRA]AAA (Stable)
INE134E08JW1	NCD	19-Mar-19	8.18%	19-Mar-22	3751.2	[ICRA]AAA (Stable)
INE134E08JY7	NCD	25-Mar-19	9.25%	25-Sep-24	2000.0	[ICRA]AAA (Stable)
INE134E08JX9	NCD	25-Mar-19	9.10%	23-Mar-29	2411.5	[ICRA]AAA (Stable)
INE134E08JZ4	NCD	28-Mar-19	8.98%	28-Mar-29	1000.0	[ICRA]AAA (Stable)
INE134E08KA5	NCD	30-Apr-19	8.79%	29-Apr-34	2578.90	[ICRA]AAA (Stable)
INE134E08KB3	NCD	27-May-19	8.20%	27-May-22	1605.00	[ICRA]AAA (Stable)
INE134E08KC1	NCD	27-May-19	8.85%	25-May-29	1982.10	[ICRA]AAA (Stable)
INE134E08KD9	NCD	4-Jun-19	8.10%	4-Jun-24	691.10	[ICRA]AAA (Stable)
INE134E08KE7	NCD	8-Aug-19	8.15%	8-Aug-34	4035.00	[ICRA]AAA (Stable)
INE134E08KF4	NCD	6-Sep-19	8.25%	6-Sep-34	4016.00	[ICRA]AAA (Stable)
INE134E08KG2	NCD	15-Oct-19	7.35%	15-Oct-22	3735.00	[ICRA]AAA (Stable)
INE134E08KH0	NCD	19-Nov-19	7.42%	19-Nov-24	3000.00	[ICRA]AAA (Stable)
INE134E08KI8	NCD	31-Dec-19	7.93%	31-Dec-29	4710.50	[ICRA]AAA (Stable)
INE134E07075	Infra Bonds	31-Mar-11	8.30%	31-Mar-21	50.0	[ICRA]AAA (Stable)
INE134E07083	Infra Bonds	31-Mar-11	8.30%	31-Mar-21	109.1	[ICRA]AAA (Stable)
INE134E07091	Infra Bonds	31-Mar-11	8.50%	31-Mar-26	5.3	[ICRA]AAA (Stable)
INE134E07109	Infra Bonds	31-Mar-11	8.50%	31-Mar-26	19.3	[ICRA]AAA (Stable)
INE134E07158	Infra Bonds	21-Nov-11	8.50%	21-Nov-21	21.9	[ICRA]AAA (Stable)
INE134E07166	Infra Bonds	21-Nov-11	8.50%	21-Nov-21	36.3	[ICRA]AAA (Stable)
INE134E07174	Infra Bonds	21-Nov-11	8.75%	21-Nov-26	2.9	[ICRA]AAA (Stable)
INE134E07182	Infra Bonds	21-Nov-11	8.75%	21-Nov-26	7.8	[ICRA]AAA (Stable)
INE134E07216	Infra Bonds	30-Mar-12	8.43%	30-Mar-22	7.4	[ICRA]AAA (Stable)
INE134E07224	Infra Bonds	30-Mar-12	8.43%	30-Mar-22	15.5	[ICRA]AAA (Stable)
INE134E07232	Infra Bonds	30-Mar-12	8.72%	30-Mar-27	0.9	[ICRA]AAA (Stable)
INE134E07240	Infra Bonds	30-Mar-12	8.72%	30-Mar-27	2.4	[ICRA]AAA (Stable)
INE134E07190	Tax Free Bonds	1-Feb-12	8.20%	1-Feb-22	2752.6	[ICRA]AAA (Stable)
INE134E07208	Tax Free Bonds	1-Feb-12	8.30%	1-Feb-27	1280.6	[ICRA]AAA (Stable)
INE134E07331	Tax Free Bonds	4-Jan-13	7.19%	4-Jan-23	189.6	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
INE134E07331	Tax Free Bonds	4-Jan-13	7.69%	4-Jan-23	153.2	[ICRA]AAA (Stable)
INE134E07349	Tax Free Bonds	4-Jan-13	7.36%	4-Jan-28	155.2	[ICRA]AAA (Stable)
INE134E07349	Tax Free Bonds	4-Jan-13	7.86%	4-Jan-28	201.8	[ICRA]AAA (Stable)
INE134E07356	Tax Free Bonds	28-Mar-13	6.88%	28-Mar-23	50.9	[ICRA]AAA (Stable)
INE134E07356	Tax Free Bonds	28-Mar-13	7.38%	28-Mar-23	45.2	[ICRA]AAA (Stable)
INE134E07364	Tax Free Bonds	28-Mar-13	7.04%	28-Mar-23	7.8	[ICRA]AAA (Stable)
INE134E07364	Tax Free Bonds	28-Mar-13	7.54%	28-Mar-23	61.4	[ICRA]AAA (Stable)
INE134E07414	Tax Free Bonds	16-Nov-13	8.18%	16-Nov-23	325.1	[ICRA]AAA (Stable)
INE134E07422	Tax Free Bonds	16-Nov-13	8.43%	16-Nov-23	335.5	[ICRA]AAA (Stable)
INE134E07430	Tax Free Bonds	16-Nov-13	8.54%	16-Nov-23	932.7	[ICRA]AAA (Stable)
INE134E07448	Tax Free Bonds	16-Nov-13	8.79%	16-Nov-28	353.3	[ICRA]AAA (Stable)
INE134E07455	Tax Free Bonds	16-Nov-13	8.67%	16-Nov-33	1067.4	[ICRA]AAA (Stable)
INE134E07463	Tax Free Bonds	16-Nov-13	8.92%	16-Nov-33	862.0	[ICRA]AAA (Stable)
INE134E07539	Tax Free Bonds	17-Oct-15	7.11%	17-Oct-25	75.1	[ICRA]AAA (Stable)
INE134E07547	Tax Free Bonds	17-Oct-15	7.36%	17-Oct-25	79.4	[ICRA]AAA (Stable)
INE134E07554	Tax Free Bonds	17-Oct-15	7.27%	17-Oct-30	131.3	[ICRA]AAA (Stable)
INE134E07562	Tax Free Bonds	17-Oct-15	7.52%	17-Oct-30	45.2	[ICRA]AAA (Stable)
INE134E07570	Tax Free Bonds	17-Oct-15	7.35%	17-Oct-35	213.6	[ICRA]AAA (Stable)
INE134E07588	Tax Free Bonds	17-Oct-15	7.60%	17-Oct-35	155.5	[ICRA]AAA (Stable)
INE134E07596	CG Bonds	31-Jul-17	5.25%	31-Jul-20	18.3	[ICRA]AAA (Stable)
INE134E07604	CG Bonds	31-Aug-17	5.25%	31-Aug-20	13.9	[ICRA]AAA (Stable)
INE134E07612	CG Bonds	30-Sep-17	5.25%	30-Sep-20	20.5	[ICRA]AAA (Stable)
INE134E07620	CG Bonds	31-Oct-17	5.25%	31-Oct-20	20.5	[ICRA]AAA (Stable)
INE134E07638	CG Bonds	30-Nov-17	5.25%	30-Nov-20	33.6	[ICRA]AAA (Stable)
INE134E07646	CG Bonds	31-Dec-17	5.25%	31-Dec-20	33.8	[ICRA]AAA (Stable)
INE134E07653	CG Bonds	31-Jan-18	5.25%	31-Jan-21	25.9	[ICRA]AAA (Stable)
INE134E07661	CG Bonds	28-Feb-18	5.25%	28-Feb-21	38.0	[ICRA]AAA (Stable)
INE134E07679	CG Bonds	31-Mar-18	5.25%	31-Mar-21	87.8	[ICRA]AAA (Stable)
INE134E07687	CG Bonds	30-Apr-18	5.75%	30-Apr-23	6.5	[ICRA]AAA (Stable)
INE134E07695	CG Bonds	31-May-18	5.75%	31-May-23	7.0	[ICRA]AAA (Stable)
INE134E07703	CG Bonds	30-Jun-18	5.75%	30-Jun-23	10.1	[ICRA]AAA (Stable)
INE134E07711	CG Bonds	31-Jul-18	5.75%	31-Jul-23	14.3	[ICRA]AAA (Stable)
INE134E07729	CG Bonds	31-Aug-18	5.75%	31-Aug-23	16.0	[ICRA]AAA (Stable)
INE134E07737	CG Bonds	30-Sep-18	5.75%	30-Sep-23	26.0	[ICRA]AAA (Stable)
INE134E07745	CG Bonds	31-Oct-18	5.75%	31-Oct-23	33.0	[ICRA]AAA (Stable)
INE134E07752	CG Bonds	30-Nov-18	5.75%	30-Nov-23	15.1	[ICRA]AAA (Stable)
INE134E07760	CG Bonds	31-Dec-18	5.75%	31-Dec-23	41.1	[ICRA]AAA (Stable)
INE134E07778	CG Bonds	31-Jan-19	5.75%	31-Jan-24	55.1	[ICRA]AAA (Stable)
INE134E07786	CG Bonds	28-Feb-19	5.75%	29-Feb-24	70.6	[ICRA]AAA (Stable)
INE134E07794	CG Bonds	31-Mar-19	5.75%	31-Mar-24	66.7	[ICRA]AAA (Stable)
INE134E07810	CG Bonds	30-Apr-19	5.75%	30-Apr-24	145.38	[ICRA]AAA (Stable)
INE134E07828	CG Bonds	31-May-19	5.75%	31-May-24	48.91	[ICRA]AAA (Stable)
INE134E07836	CG Bonds	30-Jun-19	5.75%	30-Jun-24	72.72	[ICRA]AAA (Stable)
INE134E07844	CG Bonds	31-Jul-19	5.75%	31-Jul-24	81.73	[ICRA]AAA (Stable)
INE134E07851	CG Bonds	31-Aug-19	5.75%	31-Aug-24	117.29	[ICRA]AAA (Stable)
INE134E07869	CG Bonds	30-Sep-19	5.75%	30-Sep-24	105.73	[ICRA]AAA (Stable)
INE134E07877	CG Bonds	31-Oct-19	5.75%	31-Oct-24	102.03	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
INE134E07885	CG Bonds	30-Nov-19	5.75%	30-Nov-24	92.09	[ICRA]AAA (Stable)
INE134E07893	CG Bonds	31-Dec-19	5.75%	31-Dec-24	89.96	[ICRA]AAA (Stable)
INE134E08B05	NCD	7-Aug-09	8.60%	7-Aug-19	866.5	
INE134E08BT4	NCD	15-Oct-09	8.80%	15-Oct-19	1216.6	
INE134E08CK1	NCD	20-Nov-09	NA	20-Nov-19	925	
INE134E08CM7	NCD	15-Dec-09	8.50%	15-Dec-19	351	
INE134E08EA8	NCD	15-Dec-11	9.70%	15-Dec-18	2060	
INE134E08FE7	NCD	8-Feb-13	8.72%	8-Feb-19	324	
INE134E07489	NCD	31-Jan-14	9.70%	31-Jan-19	270	
INE134E07513	NCD	3-Mar-14	9.69%	2-Mar-19	2240	
INE134E08FZ2	NCD	7-Jul-14	9.15%	7-Jul-19	100	
INE134E08GF2	NCD	27-Aug-14	9.39%	27-Aug-19	460	[ICRA]AAA (Stable)
INE134E08GJ4	NCD	17-Sep-14	9.32%	17-Sep-19	1591	Withdrawn
INE134E08GN6	NCD	21-Oct-14	8.96%	21-Oct-19	1100	
INE134E08GO4	NCD	7-Nov-14	8.76%	7-Nov-19	1000	
INE134E08GQ9	NCD	28-Nov-14	8.65%	28-Nov-19	836	
INE134E08GS5	NCD	9-Dec-14	8.52%	9-Dec-19	1220	
INE134E08HO2	NCD	29-Jun-15	8.50%	29-Jun-19	1500	
INE134E08IA9	NCD	28-Jan-16	8.12%	28-Feb-19	700	
INE134E08IC5	NCD	13-Apr-16	7.85%	15-Apr-19	2928	
INE134E08IF8	NCD	13-May-16	7.95%	13-May-19	1915	
INE134E08JL4	NCD	8-Mar-18	7.80%	7-Jun-19	3300	
NA	Term Loan 1	27-Sep-18	6 Months MCLR+5 bps	27-Sep-23	5500.0	[ICRA]AAA (Stable)
NA	Term Loan 2	5-Oct-18	6 Months MCLR+5 bps	27-Sep-23	500.0	[ICRA]AAA (Stable)
NA	Term Loan 3	19-Dec-19	03 months MCLR+20 bps	19-Dec-24	500.00	[ICRA]AAA (Stable)
NA	Term Loan 4	27-Dec-19	03 months MCLR+20 bps	19-Dec-24	470.00	[ICRA]AAA (Stable)
NA	Term Loan 5	30-Dec-19	03 months MCLR+20 bps	19-Dec-24	1170.00	[ICRA]AAA (Stable)
NA	Term Loan 6	31-Dec-19	03 months MCLR+20 bps	19-Dec-24	262.20	[ICRA]AAA (Stable)
NA	Term Loan 7	24-Aug-18	1 Month MCLR+5 bps	24-May-20	2000.0	[ICRA]AAA (Stable)
NA	Term Loan 8	5-Sep-18	1 Month MCLR+5 bps	5-Jun-20	2000.0	[ICRA]AAA (Stable)
NA	Term Loan 9	4-Mar-19	1 year MCLR	4-Mar-21	700.0	[ICRA]AAA (Stable)
NA	Term Loan 10	19-Jun-19	1 year MCLR	15-Apr-20	100.00	[ICRA]AAA (Stable)
NA	Term Loan 11	19-Jun-19	1 year MCLR	15-Apr-21	100.00	[ICRA]AAA (Stable)
NA	Term Loan 12	19-Jun-19	1 year MCLR	15-Apr-22	600.00	[ICRA]AAA (Stable)
NA	Term Loan 13	19-Jun-19	1 year MCLR	15-Apr-23	600.00	[ICRA]AAA (Stable)
NA	Term Loan 14	19-Jun-19	1 year MCLR	15-Apr-24	600.00	[ICRA]AAA (Stable)
NA	Term Loan 15	19-Jun-18	1 Month MCLR+5 bps	19-Jun-20	1800.0	[ICRA]AAA (Stable)
NA	Term Loan 16	22-Jun-18	1 Month MCLR+5 bps	19-Jun-20	200.0	[ICRA]AAA (Stable)
NA	Term Loan 17	29-Jun-18	1 Month MCLR	29-Jun-20	236.6	[ICRA]AAA (Stable)
NA	Term Loan 18	30-Jun-18	1 Month MCLR	29-Jun-20	1563.4	[ICRA]AAA (Stable)
NA	Term Loan 19	6-Aug-18	1 Month MCLR	29-Jun-20	179.0	[ICRA]AAA (Stable)
NA	Term Loan 20	14-Sep-18	firmed up rate	14-Sep-21	800.0	[ICRA]AAA (Stable)
NA	Term Loan 21	13-Sep-18	1 Month MCLR	13-Sep-20	1500.0	[ICRA]AAA (Stable)
NA	Term Loan 22	28-Dec-18	1 year MCLR	28-Dec-23	500.0	[ICRA]AAA (Stable)
NA	Term Loan 23	16-Jan-19	1 year MCLR	16-Jan-24	500.0	[ICRA]AAA (Stable)
NA	Term Loan 24	20-Feb-19	1 year MCLR	20-Feb-24	1000.0	[ICRA]AAA (Stable)
NA	Term Loan 25	21-Jun-19	1 year MCLR	21-Jun-24	500.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
NA	Term Loan 26	24-Jun-19	1 year MCLR	24-Jun-24	500.00	[ICRA]AAA (Stable)
NA	Term Loan 27	29-Jun-19	1 year MCLR	29-Jun-24	1000.00	[ICRA]AAA (Stable)
NA	Term Loan 28	6-Aug-18	1 Month MCLR	6-Aug-20	821.0	[ICRA]AAA (Stable)
NA	Term Loan 29	23-Aug-18	1 Month MCLR	6-Aug-20	179.0	[ICRA]AAA (Stable)
NA	Term Loan 30	21-Jan-19	1 year MCLR	21-Jan-24	1000.0	[ICRA]AAA (Stable)
NA	Term Loan 31	30-Jan-19	1 year MCLR	21-Jan-24	1000.0	[ICRA]AAA (Stable)
NA	Term Loan 32	2-Mar-19	1 year MCLR	2-Mar-24	500.0	[ICRA]AAA (Stable)
NA	Term Loan 33	2-Mar-19	1 year MCLR	2-Mar-25	500.0	[ICRA]AAA (Stable)
NA	Term Loan 34	23-Aug-18	1 Month MCLR	23-Aug-21	1000.0	[ICRA]AAA (Stable)
NA	Term Loan 35	2-Mar-19	1 Year MCLR	2-Mar-22	200.0	[ICRA]AAA (Stable)
NA	Term Loan 36	30-Sep-19	1 Year MCLR	30-Sep-22	250.00	[ICRA]AAA (Stable)
NA	Term Loan 37	31-Mar-18	1 Month MCLR	30-Sep-20	750.0	[ICRA]AAA (Stable)
NA	Term Loan 38	5-Oct-18	6 Months MCLR	5-Oct-23	750.0	[ICRA]AAA (Stable)
NA	Term Loan 39	24-Dec-18	6 Months MCLR	24-Dec-23	995.0	[ICRA]AAA (Stable)
NA	Term Loan 40	25-Feb-19	1 year MCLR	25-Feb-22	375.0	[ICRA]AAA (Stable)
NA	Term Loan 41	25-Feb-19	1 year MCLR	25-Feb-23	375.0	[ICRA]AAA (Stable)
NA	Term Loan 42	25-Feb-19	1 year MCLR	25-Feb-24	375.0	[ICRA]AAA (Stable)
NA	Term Loan 43	25-Feb-19	1 year MCLR	25-Feb-25	375.0	[ICRA]AAA (Stable)
NA	Term Loan 44	30-Sep-19	1 year MCLR	30-Sep-22	56.25	[ICRA]AAA (Stable)
NA	Term Loan 45	30-Sep-19	1 year MCLR	30-Sep-23	56.25	[ICRA]AAA (Stable)
NA	Term Loan 46	30-Sep-19	1 year MCLR	30-Sep-24	56.25	[ICRA]AAA (Stable)
NA	Term Loan 47	30-Sep-19	1 year MCLR	30-Sep-25	56.25	[ICRA]AAA (Stable)
NA	Term Loan 48	11-Mar-19	1 year MCLR	11-Jun-21	18.8	[ICRA]AAA (Stable)
NA	Term Loan 49	11-Mar-19	1 year MCLR	11-Sep-21	18.8	[ICRA]AAA (Stable)
NA	Term Loan 50	11-Mar-19	1 year MCLR	11-Dec-21	18.8	[ICRA]AAA (Stable)
NA	Term Loan 51	11-Mar-19	1 year MCLR	11-Mar-22	18.8	[ICRA]AAA (Stable)
NA	Term Loan 52	11-Mar-19	1 year MCLR	11-Jun-22	56.3	[ICRA]AAA (Stable)
NA	Term Loan 53	11-Mar-19	1 year MCLR	11-Sep-22	56.3	[ICRA]AAA (Stable)
NA	Term Loan 54	11-Mar-19	1 year MCLR	11-Dec-22	56.3	[ICRA]AAA (Stable)
NA	Term Loan 55	11-Mar-19	1 year MCLR	11-Mar-23	56.3	[ICRA]AAA (Stable)
NA	Term Loan 56	11-Mar-19	1 year MCLR	11-Jun-23	112.5	[ICRA]AAA (Stable)
NA	Term Loan 57	11-Mar-19	1 year MCLR	11-Sep-23	112.5	[ICRA]AAA (Stable)
NA	Term Loan 58	11-Mar-19	1 year MCLR	11-Dec-23	112.5	[ICRA]AAA (Stable)
NA	Term Loan 59	11-Mar-19	1 year MCLR	11-Mar-24	112.5	[ICRA]AAA (Stable)
NA	Term Loan 60	15-Mar-19	03 months MCLR+15 bps	15-Mar-20	200.0	[ICRA]AAA (Stable)
NA	Term Loan 61	15-Mar-19	03 months MCLR+15 bps	15-Mar-21	200.0	[ICRA]AAA (Stable)
NA	Term Loan 62	15-Mar-19	03 months MCLR+15 bps	15-Mar-22	200.0	[ICRA]AAA (Stable)
NA	Term Loan 63	15-Mar-19	03 months MCLR+15 bps	15-Mar-23	200.0	[ICRA]AAA (Stable)
NA	Term Loan 64	15-Mar-19	03 months MCLR+15 bps	15-Mar-24	200.0	[ICRA]AAA (Stable)
NA	Term Loan 65	30-Sep-19	03 months MCLR+15 bps	30-Sep-20	100.00	[ICRA]AAA (Stable)
NA	Term Loan 66	30-Sep-19	03 months MCLR+15 bps	30-Sep-21	100.00	[ICRA]AAA (Stable)
NA	Term Loan 67	30-Sep-19	03 months MCLR+15 bps	30-Sep-22	100.00	[ICRA]AAA (Stable)
NA	Term Loan 68	30-Sep-19	03 months MCLR+15 bps	30-Sep-23	100.00	[ICRA]AAA (Stable)
NA	Term Loan 69	30-Sep-19	03 months MCLR+15 bps	30-Sep-24	100.00	[ICRA]AAA (Stable)
NA	Term Loan 70	29-Jun-19	01 year MCLR	29-Sep-23	150.00	[ICRA]AAA (Stable)
NA	Term Loan 71	29-Jun-19	01 year MCLR	29-Dec-23	150.00	[ICRA]AAA (Stable)
NA	Term Loan 72	29-Jun-19	01 year MCLR	29-Mar-24	150.00	[ICRA]AAA (Stable)



ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated	Current Rating and Outlook
NA	Term Loan 73	29-Jun-19	01 year MCLR	29-Jun-24	150.00	[ICRA]AAA (Stable)
NA	Term Loan 74	29-Jun-19	01 year MCLR	29-Sep-24	150.00	[ICRA]AAA (Stable)
NA	Term Loan 75	29-Jun-19	01 year MCLR	29-Dec-24	150.00	[ICRA]AAA (Stable)
NA	Term Loan 76	29-Jun-19	01 year MCLR	29-Mar-25	150.00	[ICRA]AAA (Stable)
NA	Term Loan 77	29-Jun-19	01 year MCLR	29-Jun-25	150.00	[ICRA]AAA (Stable)
NA	Term Loan 78	29-Jun-19	01 year MCLR	29-Sep-25	150.00	[ICRA]AAA (Stable)
NA	Term Loan 79	29-Jun-19	01 year MCLR	29-Dec-25	150.00	[ICRA]AAA (Stable)
NA	Term Loan 80	29-Jun-19	01 year MCLR	29-Mar-26	150.00	[ICRA]AAA (Stable)
NA	Term Loan 81	29-Jun-19	01 year MCLR	29-Jun-26	150.00	[ICRA]AAA (Stable)
NA	Term Loan 82	19-Jun-19	1 year MCLR	19-Jun-22	1000.00	[ICRA]AAA (Stable)
NA	Term Loan 83	30-Sep-19	1 year MCLR	30-Sep-22	1000.00	[ICRA]AAA (Stable)
NA	Term Loan 84	30-Sep-19		31-Jul-21	100.00	[ICRA]AAA (Stable)
NA	Term Loan 85	30-Sep-19	12 months T-Bill rate +	31-Oct-21	100.00	[ICRA]AAA (Stable)
NA	Term Loan 86	30-Sep-19	spread of 2.59%	31-Jan-22	100.00	[ICRA]AAA (Stable)
NA	Term Loan 87	30-Sep-19	(Minimum ROI 8.15%)	30-Apr-22	100.00	[ICRA]AAA (Stable)
NA	Term Loan 88	30-Sep-19		31-Jul-22	100.00	[ICRA]AAA (Stable)
NA	Term Loan 89	27-Dec-18	8.27%	27-Dec-28	7500.0	[ICRA]AAA (Stable)
LT Borrowing Programme FY2020*	NA	NA	NA	NA	49113.36	[ICRA]AAA (Stable)
LT Borrowing Programme FY2021	NA	NA	NA	NA	70,000	[ICRA]AAA (Stable)
ST Borrowing Programme FY2020	NA	NA	NA	7-365 days	12,000	[ICRA]A1+
ST Borrowing Programme FY2021	NA	NA	NA	7-365 days	20,000	[ICRA]A1+

Source: PFC; Note: CG bonds: 54EC bonds or capital gain bonds; \*Excluding those placed and captured above

## Annexure-2: List of entities considered for consolidation of financials

Company Name	Ownership	Consolidation Approach
Power Finance Corporation Ltd.	Rated Entity	Full Consolidation
REC Limited	Subsidiary	Full Consolidation
PFC Consulting Limited	Subsidiary	Full Consolidation
Power Equity Capital Advisors (Private) Ltd	Subsidiary	Full Consolidation
Energy Efficiently Services Limited	Joint Venture	Proportionate Consolidation
Chattisgarh Surguja Power Limited	Associate	Proportionate Consolidation
Coastal Karnataka Power Limited	Associate	Proportionate Consolidation
Coastal Maharashtra Mega Power Limited	Associate	Proportionate Consolidation
Coastal Tamil Nadu Power Limited	Associate	Proportionate Consolidation
Orissa Integrated Power Limited	Associate	Proportionate Consolidation
Sakhigopal Integrated Power Company Ltd	Associate	Proportionate Consolidation
Ghogarpalli Integrated Power Company Ltd	Associate	Proportionate Consolidation
Tatiya Andhra Mega Power Limited	Associate	Proportionate Consolidation
Deoghar Mega Power Limited	Associate	Proportionate Consolidation
Cheyur Infra Limited	Associate	Proportionate Consolidation

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Company Name	Ownership	Consolidation Approach
Odisha Infrapower Limited	Associate	Proportionate Consolidation
Deoghar Infrapower Limited	Associate	Proportionate Consolidation
Bihar Infrapower Limited	Associate	Proportionate Consolidation
Bihar Mega Power Limited	Associate	Proportionate Consolidation
Jharkhand Infrapower Limited	Associate	Proportionate Consolidation

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### Rating Rationale

March 29, 2020 | Mumbai

### Power Finance Corporation Limited

'CRISIL AAA/Stable' assigned to Long-term borrowing programme; 'CRISIL A1+' assigned to Short-term borrowing programme

#### Rating Action

Total Bank Loan Facilities Rated	Rs.10000 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Rs.70000 Crore Long-Term Borrowing Programme@	CRISIL AAA/Stable (Assigned)
Rs.20000 Crore Short Term Borrowing programme@	CRISIL A1+ (Assigned)
Rs.88000 Crore Long-Term Borrowing Programme&	CRISIL AAA/Stable (Reaffirmed)
Rs.80000 Crore Long-Term Borrowing Programme-	CRISIL AAA/Stable (Reaffirmed)
Rs.64000 Crore Long-Term Borrowing Programme*	CRISIL AAA/Stable (Reaffirmed)
Subordinated Non-Convertible Debentures Aggregating Rs.15000 Crore	CRISIL AAA/Stable (Reaffirmed)
Bonds Aggregating Rs.185943.4 Crore#	CRISIL AAA/Stable (Reaffirmed)
Rs.12000 Crore Short-Term Borrowing Programme&	CRISIL A1+ (Reaffirmed)
Rs.17000 Crore Short-Term Borrowing Programme-	CRISIL A1+ (Reaffirmed)
Rs.20000 Crore Short-Term Borrowing Programme*	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank facilities

@Borrowing programme for fiscal 2021 (refers to financial year, April 1 to March 31). The overall limit for the long term borrowing programme and the short-term borrowing programme is Rs 60,000 crore. The long-term borrowing programme includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term bank borrowing and short-term borrowings not to exceed Rs.70000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2021.

&Borrowing programme for 2019-20

-Borrowing programme for 2018-19 (refers to financial year, April 1 to March 31)

\*Borrowing programme for 2017-18 refers to financial year, April 1 to March 31).

#Includes Rs 5000 Cr of Extra budgetary resources to be raised by PFC on behalf of Ministry of Power.

## Ratings



### Detailed Rationale

CRISIL has assigned its 'CRISIL AAA/Stable' rating to the long term borrowing programme of Power Finance Corporation Limited (PFC) and its 'CRISIL A1+' rating to the short term borrowing programme of the company. CRISIL has also reaffirmed its ratings on the other debt instruments and bank facilities of PFC at 'CRISIL AAA/Stable/CRISIL A1+'.

CRISIL has withdrawn its rating on bonds of Rs 5411.3 crore (See Annexure 'Details of Rating Withdrawal' for details) in line with its withdrawal policy. CRISIL has received independent confirmation that these instruments are fully redeemed.

The ratings on the debt instruments of PFC continue to reflect the company's strategic importance to the GoI given its key role in financing the Indian power sector, and its majority ownership by GoI. The ratings also factor in its strong market position and adequate capitalisation and resource profile. These strengths are partially offset by inherent vulnerability in PFC's asset quality, and significant sectoral and customer concentration.

In March 2019, PFC completed the acquisition of Government of India's 52.6% stake in REC Limited (REC) for 14,500 crores. The acquisition by PFC was funded by cash inflows from the business (~70%) and remaining through debt (~30%). In CRISIL's view, this additional debt did not have a material impact on the gearing of PFC, given its sizeable network. CRISIL believes that both PFC and REC will continue to remain strategically important to GoI and support, if any, required for both entities will be provided by GoI. Both these companies will continue to play their respective policy roles and will remain the nodal agencies for implementing GoI's power sector policies. Further, they are expected to operate all functions independently as they do it currently.

### Analytical Approach

For arriving at the ratings, CRISIL has combined the business and financial risk profile of PFC and its subsidiaries including REC Limited. Furthermore, CRISIL factors in support from the majority owner, GoI given its key role in financing the Indian power sector.

*Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.*

### Key Rating Drivers & Detailed Description

#### Strengths:

<sup>^</sup> Strategic Importance to and majority ownership by GoI

The company's high strategic importance to GoI is reflected in the role it plays in implementing government policies, and its importance in financing India's power sector, particularly government sector power utilities (86% of the consolidated loan book as on December 31, 2019). PFC is the nodal agency for the development of Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS), and is also the bid process coordinator for the Independent Transmission Projects (ITP) scheme. The company plays a developmental role in channelling finance to meet the power sector's large funding requirement, particularly of PSUs. Further, REC also is the nodal agency for channelling finance towards the rural electrification programme under the Deendayal Upadhyaya Gram Jyoti Yojana (formerly known as Rajiv Gandhi Grameen Vidyalitana Yojana) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana, or 'Saubhagya' scheme and the National Electricity Fund Scheme.

GoI remains the majority shareholder, with a stake of 56% as on December 31, 2019. The government supports the company financially and operationally in various ways, including conferring special status to raise capital gains tax exemption bonds. CRISIL believes that GoI has strong strategic reasons and a moral obligation to support PFC, both on an ongoing basis and in the event of distress, given the latter's role in implementing the government's power sector policies and GoI's majority ownership in the company.

<sup>^</sup> Dominant market position in the power financing segment

PFC plays an important role in the Indian power sector, not only by providing finance but also by implementing GoI's power sector policies. PFC at a consolidated level is the largest lender to the power sector with a share of over 30%, and plays a key role in channelling finance to PSUs. The share of PSUs in the consolidated loan book stood at 86% as on December 31, 2019. Loans outstanding to PSUs on a consolidated basis stood at Rs 5.5 lakh crore as on

December 31, 2019 (Rs 5.08 lakh crore as on March 31, 2019)

**^ Adequate capitalisation**

As on December 31, 2019, tier-I capital adequacy ratio (CAR) was 14.37%, overall CAR 19.32%, (11.73%, 17.09%, respectively as on March 31, 2019). Capitalisation is expected to remain adequate over the medium term, supported by a demonstrated ability to raise capital through public issues. The net worth to net NPA ratio on a consolidated basis was 2.5 times as on March 31, 2019. Accruals to networth is supported by ability to maintain good interest spreads and a low operating expense ratio. The return on assets ratio was 2.2% and return on equity of 21.3% for fiscal 2019. However, profitability will remain susceptible to increase in credit costs because of weakening in asset quality in the private sector exposures.

**^ Adequate resource profile**

Borrowing costs are competitive and the resource base, though wholesale, is diversified. The debt instruments have wide market acceptability and borrowing is typically at low spreads over government securities. The cost of borrowing is lower than that of peers, and was 7.3% in fiscal 2019. The consolidated resource profile as on March 31, 2019 mainly comprises of bonds (74%) and term loans (22%), and other borrowings (4%). The company also has access to foreign currency borrowing, which comprised 12% of the total consolidated borrowings as on March 31, 2019 (On a stand-alone basis, foreign currency borrowings formed 10% of the total borrowings as on March 31, 2019). It hedges only a limited portion of its foreign currency borrowing based on its board-approved policy. PFC has also received government approval to raise capital gain bonds under Section 54 EC; which should further support the resource profile.

In fiscal 2017, extra budgetary resources of Rs 5000 crore were raised on behalf of the, GoI. These bonds will be fully serviced by the government through the general budget; hence, a separate government guarantee was not required for issue of these bonds. In its analytical treatment, CRISIL has assumed that PFC will ensure the bonds are serviced on time.

**Weakness**

**\* Inherent vulnerability In asset quality, and significant sectoral and customer concentration**

PFC's asset quality remains inherently vulnerable to the weak credit risk profiles of borrowers. The company caters only to the power sector, with 86% of its advances to government sector power utilities (including generation, transmission, and discoms). PSUs, especially discoms, are an inherently weak asset class because of their poor financial risk profiles. Loans to discoms accounted for 22% of overall advances, including transition lending. Effective execution of various reform measures is extremely critical for PSUs to produce the desired positive impact, and broad-based political consensus is necessary to implement the much-needed tariff increases to ensure sustained improvement in the performance of PSUs. NPAs and restructured assets from the PSU book rose sharply in fiscal 2017 owing to alignment with RBI restructuring norms. However, the downgraded accounts had been paying dues regularly, and a majority of them were upgraded in fiscal 2018. As on December 31, 2019, NPAs (stage III assets as per IND AS) are nil from this portfolio.

PFC (consolidated) also has 14% exposure to private sector power players, which have increasingly become more vulnerable to asset quality risks owing to issues such as lack of fuel availability, inability to pass on fuel price increases, and absence of long-term power purchase agreements for assured power offtake. PFC on a consolidated basis reported gross NPAs (stage III assets as per IND-AS) of 7.4% as on December 31, 2019 (8.4% as on March 31, 2019). While government sector NPAs declined over previous years, the share of NPAs from private sector has increased considerably. As on December 31, 2019, 52% of private sectors loans have been recognized as stage III assets on which the company has a provision coverage of 52% on a consolidated basis.

## Ratings



### Liquidity Superior

**Asset Liability Maturity (ALM) profile of PFC shows that liquidity position is superior. The mismatches in the ALM buckets up to one year given the relatively long tenure of its assets are managed mainly through unutilized bank lines. Additionally, the debt repayments are well staggered across months, supporting its liquidity profile.**

As on December 31, 2019, against the total expected outflow of Rs 21,160 crore maturing till March 31, 2020. PFC had unutilized bank lines of around Rs 5,300 crore as on the same date. PFC continues to tap debt capital markets for fresh issuances. Around Rs 8,854 crore and Rs 27,157 crore were raised as CP and MCDs, respectively, in the period from April 1, 2019 to December 31, 2019. PFC also raised term loans of Rs 11,677 crore and foreign currency borrowings of Rs 16,101 crore over the same period. Further, the liquidity is supported by expected inflows of Rs 20703 crore in the next 3 months.

### Outlook: Stable

CRISIL believes Govt will retain its majority stake in PFC, which will continue to play a critical role in implementing government policies related to financing the Indian power sector, over the medium term. The company is also likely to retain its strong position in the infrastructure-financing segment, while maintaining healthy capitalization.

### Rating Sensitivity Factors

#### Downward Factors

- \* Decline in Govt shareholding below 50% and/or diminution of support extended to the institution by Govt
- \* Significant deterioration in asset quality, thereby impacting profitability and capitalization.

### About the Company

PFC was established in 1986 by Govt as an institution dedicated to funding and developing the power sector in India. Until 1996, it lent exclusively to public sector entities. Since then, it has expanded its customer profile to include private sector power utilities and projects. PFC aims to promote balanced and integrated development of the power sector by providing finance to low-cost, efficient, and reliable projects.

On a consolidated basis, PFC reported a profit after tax (PAT) of Rs 12640 crore and total income (net of interest) of Rs 19536 crore in fiscal 2019 (Rs 8797 crore and 18357 crore, respectively in the previous fiscal). On a standalone basis, PFC reported PAT of Rs 6953 crore and total income (net of interest) of Rs 10741 crore in fiscal 2019 as against Rs 5855 crore and Rs 8718 crore, respectively in the previous fiscal.

For the nine month ended December 31, 2019, PFC reported a consolidated PAT of Rs 8784 crore on a total income (net of interest expense) of Rs 15668 crore as against a PAT of Rs 9249 crore on a total income (net of interest expense) of Rs 14288 crore for the corresponding period of the previous fiscal. On a standalone basis, PFC reported a PAT of Rs 4220 crore on a total income (net of interest expense) of Rs 7517 crore as against a PAT of Rs 4835 crore on a total income (net of interest expense) of Rs 7062 crore for the corresponding period of the previous fiscal.

### Key Financial Indicators - PFC Consolidated

As on/for the period ended March 31,	Unit	2019	2018
Total Assets	Rs. Cr.	628994	522531
Total Income (net of Interest expenses)	Rs. Cr.	19536	18357
Profit after tax	Rs. Cr.	12640	8797
Gross NPA	%	8.4	8.5
Overall capital adequacy ratio	%	17.1	20.0

**Any other information: Not applicable**



## Ratings



**Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

## Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Issue	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Rating
INE134E08KA5	Institutional bonds	30-Apr-19	8.75%	29-Apr-34	2,578.9	
INE134E08JH0	Institutional bonds	20-Mar-18	7.53%	20-Jan-20	1,500.00	
INE134E07810	Institutional bonds	30-Apr-19	5.75%	30-Apr-24	48.9	
INE134E08KB3	Institutional bonds	27-May-19	8.20%	27-May-22	1,605.0	
INE134E08KC1	Institutional bonds	27-May-19	8.85%	25-May-29	1,982.1	
INE134E07828	Institutional bonds	31-May-19	5.75%	31-May-24	72.7	
INE134E08KD9	Institutional bonds	04-Jan-19	8.10%	04-Jan-24	691.1	
INE134E07836	Institutional bonds	30-Jan-19	5.75%	30-Jan-24	81.7	
INE134E07844	Institutional bonds	31-Jul-19	5.75%	31-Jul-24	117.3	
INE134E08KE7	Institutional bonds	08-Aug-19	8.15%	08-Aug-34	4,035.0	
INE134E07851	Institutional bonds	31-Aug-19	5.75%	31-Aug-24	105.7	
INE134E08KF4	Institutional bonds	06-Sep-19	8.25%	06-Sep-34	4,016.0	
INE134E07869	Institutional bonds	30-Sep-19	5.75%	30-Sep-24	102.0	
INE134E08KG2	Institutional bonds	15-Oct-19	7.35%	15-Oct-22	3,735.0	
INE134E07877	Institutional bonds	31-Oct-19	5.75%	31-Oct-24	92.1	
INE134E08KH0	Institutional bonds	19-Nov-19	7.42%	19-Nov-24	3,000.0	
INE134E07885	Institutional bonds	30-Nov-19	5.75%	30-Nov-24	90.0	
INE134E08KB8	Institutional bonds	31-Dec-19	7.93%	31-Dec-29	4,710.5	
INE134E07893	Institutional bonds	31-Dec-19	5.75%	31-Dec-24	93.1	
INE134E08KJ6	Institutional bonds	07-Jan-20	7.04%	14-Apr-23	1,400.0	
INE134E08KK4	Institutional bonds	14-Jan-20	7.86%	12-Apr-30	1,100.0	
INE134E07901	Capital Gains Bond	31-Jan-20	5.75%	31-Jan-25	94.0	
INE134E08KL2	Institutional bonds	25-Feb-20	7.41%	25-Feb-30	2,500.0	
INE134E08KM0	Institutional bonds	02-Mar-20	7.41%	15-May-30	5,000.0	
NA	Term Loan	19-Dec-19	8.19%	19-Dec-24	500.0	
NA	Term Loan	27-Dec-19	8.19%	19-Dec-24	470.0	
NA	Term Loan	30-Dec-19	8.19%	19-Dec-24	1,170.0	
NA	Term Loan	31-Dec-19	8.19%	19-Dec-24	262.2	
NA	Term Loan	01-Jan-20	8.19%	19-Dec-24	167.8	
NA	Term Loan	02-Jan-20	8.19%	19-Dec-24	430.0	
NA	Term Loan	19-Jan-19	7.82%	15-Apr-20	100.0	
NA	Term Loan	19-Jan-19	7.82%	15-Apr-21	100.0	
NA	Term Loan	19-Jan-19	7.82%	15-Apr-22	600.0	
NA	Term Loan	19-Jan-19	7.82%	15-Apr-23	600.0	
NA	Term Loan	19-Jan-19	7.82%	15-Apr-24	600.0	
NA	Term Loan	21-Jan-19	7.92%	21-Jan-24	500.0	
NA	Term Loan	24-Jan-19	7.92%	24-Jan-24	500.0	
NA	Term Loan	29-Jan-19	7.92%	29-Jan-24	1,000.0	
NA	Term Loan	30-Sep-19	7.87%	30-Sep-22	56.3	
NA	Term Loan	30-Sep-19	7.87%	30-Sep-23	56.3	

# Ratings



NA	Term Loan&	30-Sep-19	7.87%	30-Sep-24	56.3	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-25	56.3	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-20	100.0	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-21	100.0	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-22	100.0	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-23	100.0	
NA	Term Loan&	30-Sep-19	7.87%	30-Sep-24	100.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Sep-23	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Dec-23	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Mar-24	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Jun-24	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Sep-24	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Dec-24	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Mar-25	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Jun-25	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Sep-25	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Dec-25	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Mar-26	150.0	
NA	Term Loan&	29-Jun-19	8.14%	29-Jun-26	150.0	
NA	Term Loan&	02-Jan-20	8.14%	02-Apr-24	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jul-24	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Oct-24	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jan-25	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Apr-25	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jul-25	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Oct-25	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jan-26	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Apr-26	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jul-26	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Oct-26	4.6	
NA	Term Loan&	02-Jan-20	8.14%	02-Jan-27	4.5	
NA	Term Loan&	30-Sep-19	8.46%	31-Jul-21	100.0	
NA	Term Loan&	30-Sep-19	8.46%	31-Oct-21	100.0	
NA	Term Loan&	30-Sep-19	8.46%	31-Jan-22	100.0	
NA	Term Loan&	30-Sep-19	8.46%	30-Apr-22	100.0	
NA	Term Loan&	30-Sep-19	8.46%	31-Jul-22	100.0	
INE134E08JP5	Institutional bonds~	03-Apr-18	7.85%	03-Apr-28	3,855.0	
INE134E07687	Institutional bonds~	30-Apr-18	5.75%	30-Apr-23	6.5	
INE134E07695	Institutional bonds~	31-May-18	5.75%	31-May-23	7.0	
INE134E07703	Institutional bonds~	30-Jun-18	5.75%	30-Jun-23	10.1	
INE134E07711	Institutional bonds~	31-Jul-18	5.75%	31-Jul-23	14.3	
INE134E07729	Institutional bonds~	31-Aug-18	5.75%	31-Aug-23	16.0	
INE134E07737	Institutional bonds~	30-Sep-18	5.75%	30-Sep-23	26.0	
INE134E08JQ3	Institutional bonds~	10-Oct-18	8.95%	10-Oct-28	3,000.0	
INE134E07745	Institutional bonds~	31-Oct-18	5.75%	31-Oct-23	32.9	

# Ratings



INE134E08JR1	Institutional bonds~	19-Nov-18	8.67%	18-Nov-28	1,007.4
INE134E08JS9	Institutional bonds~	19-Nov-18	8.64%	19-Nov-33	528.4
INE134E07752	Institutional bonds~	30-Nov-18	5.75%	30-Nov-23	41.1
INE134E07760	Institutional bonds~	31-Dec-18	5.75%	31-Dec-23	55.1
INE134E07778	Institutional bonds~	31-Jan-19	5.75%	31-Jan-24	70.6
INE134E08JT7	Institutional bonds~	22-Feb-19	8.75%	22-Feb-34	2,654.0
INE134E07786	Institutional bonds~	28-Feb-19	5.75%	29-Feb-24	66.7
INE134E08JU5	Institutional bonds~	11-Mar-19	8.45%	11-Aug-22	2,155.0
INE134E08JV3	Institutional bonds~	14-Mar-19	8.20%	14-Sep-20	3,500.0
INE134E08JW1	Institutional bonds~	19-Mar-19	8.18%	19-Mar-22	3,751.2
INE134E08JY7	Institutional bonds~	25-Mar-19	9.25%	25-Sep-24	2,000.0
INE134E08JX9	Institutional bonds~	25-Mar-19	9.10%	23-Mar-29	2,411.5
INE134E08JZ4	Institutional bonds~	28-Mar-19	8.98%	28-Mar-29	1,000.0
INE134E07794	Institutional bonds~	31-Mar-19	5.75%	31-Mar-24	145.4
NA	Term Loan~	08-Jun-18	7.95%	08-Aug-19	2,000.0
NA	Term Loan~	19-Jun-18	7.95%	19-Jun-20	1,800.0
NA	Term Loan~	22-Jun-18	7.95%	19-Jun-20	200.0
NA	Term Loan~	22-Jun-18	8.05%	22-Jul-19	217.2
NA	Term Loan~	25-Jun-18	8.05%	25-Jul-19	782.8
NA	Term Loan~	29-Jun-18	8.05%	29-Jun-20	236.6
NA	Term Loan~	30-Jun-18	8.05%	29-Jun-20	1,563.4
NA	Term Loan~	30-Jun-18	8.05%	30-Jul-19	2,000.0
NA	Term Loan~	06-Aug-18	8.05%	29-Jun-20	179.0
NA	Term Loan~	06-Aug-18	8.05%	06-Aug-20	821.0
NA	Term Loan~	23-Aug-18	8.05%	06-Aug-20	179.0
NA	Term Loan~	23-Aug-18	8.10%	23-Aug-21	1,000.0
NA	Term Loan~	24-Aug-18	8.10%	24-May-20	2,000.0
NA	Term Loan~	05-Sep-18	8.10%	05-Jun-20	2,000.0
NA	Term Loan~	13-Sep-18	8.20%	13-Sep-20	1,500.0
NA	Term Loan~	14-Sep-18	8.38%	14-Sep-21	800.0
NA	Term Loan~	27-Sep-18	8.35%	27-Sep-23	5,500.0
NA	Term Loan~	05-Oct-18	8.35%	27-Sep-23	500.0
NA	Term Loan~	05-Oct-18	8.45%	05-Oct-23	750.0
NA	Term Loan~	24-Dec-18	8.65%	24-Dec-23	1,000.0
NA	Term Loan~	27-Dec-18	8.11%	27-Dec-28	7,500.0
NA	Term Loan~	28-Dec-18	8.70%	28-Dec-23	500.0
NA	Term Loan~	15-Jan-19	7.92%	16-Jan-24	500.0
NA	Term Loan~	21-Jan-19	7.92%	21-Jan-24	1,000.0
NA	Term Loan~	30-Jan-19	7.92%	21-Jan-24	1,000.0
NA	Term Loan~	20-Feb-19	7.92%	20-Feb-24	1,000.0
NA	Term Loan~	25-Feb-19	7.87%	25-Feb-22	375.0
NA	Term Loan~	25-Feb-19	7.87%	25-Feb-23	375.0
NA	Term Loan~	25-Feb-19	7.87%	25-Feb-24	375.0
NA	Term Loan~	25-Feb-19	7.87%	25-Feb-25	375.0

## Ratings



NA	Term Loan~	02-Mar-19	7.92%	02-Mar-24	500.0	
NA	Term Loan~	02-Mar-19	7.92%	02-Mar-25	500.0	
NA	Term Loan~	04-Mar-19	7.82%	04-Mar-21	700.0	
NA	Term Loan~	11-Mar-19	7.98%	11-Jun-21	18.8	
NA	Term Loan~	11-Mar-19	7.98%	11-Sep-21	18.8	
NA	Term Loan~	11-Mar-19	7.98%	11-Dec-21	18.8	
NA	Term Loan~	11-Mar-19	7.98%	11-Mar-22	18.8	
NA	Term Loan~	11-Mar-19	7.98%	11-Jun-22	56.3	
NA	Term Loan~	11-Mar-19	7.98%	11-Sep-22	56.3	
NA	Term Loan~	11-Mar-19	7.98%	11-Dec-22	56.3	
NA	Term Loan~	11-Mar-19	7.98%	11-Mar-23	56.3	
NA	Term Loan~	11-Mar-19	7.98%	11-Jun-23	112.5	
NA	Term Loan~	11-Mar-19	7.98%	11-Sep-23	112.5	
NA	Term Loan~	11-Mar-19	7.98%	11-Dec-23	112.5	
NA	Term Loan~	11-Mar-19	7.98%	11-Mar-24	112.5	
NA	Term Loan~	15-Mar-19	7.87%	15-Mar-21	200.0	
NA	Term Loan~	15-Mar-19	7.87%	15-Mar-22	200.0	
NA	Term Loan~	15-Mar-19	7.87%	15-Mar-23	200.0	
NA	Term Loan~	15-Mar-19	7.87%	15-Mar-24	200.0	
INE134E08IZ6	Institutional bonds*	05-May-17	7.46%	05-Jun-20	1,180.0	
INE134E08JA7	Institutional bonds*	30-May-17	7.30%	30-Jun-20	1,560.0	
INE134E08JB5	Institutional bonds*	12-Jun-17	7.28%	10-Jun-22	1,950.0	
INE134E08JC3	Institutional bonds*	12-Jun-17	7.44%	11-Jun-27	1,540.0	
INE134E07596	Institutional bonds*	31-Jul-17	5.25%	31-Jul-20	18.3	
INE134E08JD1	Institutional bonds*	08-Aug-17	7.10%	08-Aug-22	3,395.0	
INE134E08JE9	Institutional bonds*	08-Aug-17	7.30%	07-Aug-27	1,500.0	
INE134E07604	Institutional bonds*	31-Aug-17	5.25%	31-Aug-20	13.9	
INE134E07612	Institutional bonds*	30-Sep-17	5.25%	30-Sep-20	20.5	
INE134E07620	Institutional bonds*	31-Oct-17	5.25%	31-Oct-20	20.5	
INE134E08JF6	Institutional bonds*	22-Nov-17	7.35%	22-Nov-22	800.0	
INE134E08JG4	Institutional bonds*	22-Nov-17	7.65%	22-Nov-27	2,001.0	
INE134E07638	Institutional bonds*	30-Nov-17	5.25%	30-Nov-20	33.5	
INE134E08JH2	Institutional bonds*	15-Dec-17	7.62%	15-Dec-27	5,000.0	
INE134E07646	Institutional bonds*	31-Dec-17	5.25%	31-Dec-20	33.8	
INE134E08JI0	Institutional bonds*	30-Jan-18	7.74%	29-Jan-28	850.0	
INE134E07653	Institutional bonds*	31-Jan-18	5.25%	31-Jan-21	25.9	
INE134E08JJ8	Institutional bonds*	12-Feb-18	7.73%	12-Mar-21	505.0	
INE134E08JK6	Institutional bonds*	12-Feb-18	7.73%	05-Apr-21	1,325.0	
INE134E07661	Institutional bonds*	28-Feb-18	5.25%	28-Feb-21	38.0	
INE134E08JM2	Institutional bonds*	15-Mar-18	7.75%	15-Apr-21	600.0	
INE134E08JO8	Institutional bonds*	20-Mar-18	7.99%	20-Dec-22	1,295.0	
INE134E07679	Institutional bonds*	31-Mar-18	5.25%	31-Mar-21	87.8	
NA	Term loan*	19-Mar-18	7.85%	19-Apr-19	1,000.0	
NA	Term loan*	31-Mar-18	7.85%	19-Apr-19	2,000.0	
INE134E08FT5	Subordinated debt issue	14-Jun-13	8.19%	14-Jun-23	800.0	

## Ratings



INE134E08FW9	Subordinated debt issue	13-Jan-14	9.65%	13-Jan-24	1,000.0
INE134E08FX7	Subordinated debt issue	21-Feb-14	9.70%	21-Feb-24	2,000.0
INE134E08693	Institutional bonds	30-Dec-02	8.10%	30-Dec-22	750.0
INE134E08925	Institutional bonds	31-May-06	8.85%	31-May-21	600.0
INE134E08BP2	Institutional bonds	07-Aug-09	8.60%	07-Aug-24	866.5
INE134E08CN5	Institutional bonds	15-Dec-09	8.50%	15-Dec-24	351.0
INE134E08CP0	Institutional bonds	15-Jan-10	8.80%	15-Jan-25	1,172.6
INE134E08CS4	Institutional bonds	15-Mar-10	8.90%	15-Mar-25	184.0
INE134E08CV8	Institutional bonds	30-Mar-10	8.95%	30-Mar-25	492.0
INE134E08CU0	Institutional bonds	30-Mar-10	8.95%	30-Mar-20	492.0
INE134E08CY2	Institutional bonds	14-May-10	8.70%	14-May-25	1,337.5
INE134E08CX4	Institutional bonds	14-May-10	8.70%	14-May-20	1,337.5
INE134E08DB8	Institutional bonds	15-Jun-10	8.85%	15-Jun-30	633.0
INE134E08DA0	Institutional bonds	15-Jun-10	8.75%	15-Jun-25	1,532.0
INE134E08CZ9	Institutional bonds	15-Jun-10	8.65%	15-Jun-20	500.0
INE134E08DE2	Institutional bonds	04-Aug-10	8.70%	15-Jul-20	1,424.0
INE134E08DG7	Institutional bonds	15-Nov-10	8.78%	15-Nov-20	1,549.0
INE134E08DJ1	Institutional bonds	15-Dec-10	9.05%	15-Dec-30	192.7
INE134E08DI3	Institutional bonds	15-Dec-10	9.05%	15-Dec-25	192.7
INE134E08DH5	Institutional bonds	15-Dec-10	9.05%	15-Dec-20	192.7
INE134E08DL7	Institutional bonds	14-Jan-11	8.99%	15-Jan-21	1,219.0
INE134E07075	Institutional bonds	31-Mar-11	8.30%	31-03-2021	50.0
INE134E07083	Institutional bonds	31-Mar-11	8.30%	31-03-2021	109.1
INE134E07091	Institutional bonds	31-Mar-11	8.50%	31-03-2026	5.3
INE134E07109	Institutional bonds	31-Mar-11	8.50%	31-03-2026	19.3
INE134E08DM5	Institutional bonds	15-Apr-11	9.18%	15-Apr-21	1,000.0
INE134E08DN3	Institutional bonds	09-Jun-11	9.70%	09-Jun-21	1,693.2
INE134E08DQ6	Institutional bonds	29-Jun-11	9.61%	29-Jun-21	2,084.7
INE134E08DS2	Institutional bonds	01-Aug-11	9.46%	01-Aug-26	1,105.0
INE134E08DR4	Institutional bonds	01-Aug-11	9.36%	01-Aug-21	2,589.4
INE134E08DU8	Institutional bonds	01-Sep-11	9.45%	01-Sep-26	2,568.0
INE134E08DW4	Institutional bonds	23-Sep-11	9.44%	23-Sep-21	1,180.0
INE134E07125	Institutional bonds	15-Oct-11	7.75%	15-Oct-26	218.0
INE134E07117	Institutional bonds	15-Oct-11	7.51%	15-Oct-21	205.2
INE134E07158	Institutional bonds	21-Nov-11	8.50%	21-Nov-21	21.8
INE134E07166	Institutional bonds	21-Nov-11	8.50%	21-Nov-21	36.3
INE134E07174	Institutional bonds	21-Nov-11	8.75%	21-Nov-26	2.9
INE134E07182	Institutional bonds	21-Nov-11	8.75%	21-Nov-26	7.8
INE134E07141	Institutional bonds	25-Nov-11	8.16%	25-Nov-26	209.3
INE134E07133	Institutional bonds	25-Nov-11	8.09%	25-Nov-21	334.3
INE134E07190	Tax Free Bonds	01-Feb-12	8.20%	01-Feb-22	2,752.5
INE134E07208	Tax Free Bonds	01-Feb-12	8.30%	01-Feb-27	1,280.6
INE134E08EH3	Institutional bonds	06-Mar-12	9.26%	15-Apr-23	736.0

## Ratings



INE134E08EG5	Institutional bonds	06-Mar-12	9.30%	15-Apr-20	79.5	
INE134E08EO9	Institutional bonds	28-Mar-12	9.48%	15-Apr-22	184.7	
INE134E07216	Institutional bonds	30-Mar-12	8.43%	30-Mar-22	7.4	
INE134E07224	Institutional bonds	30-Mar-12	8.43%	30-Mar-22	15.5	
INE134E07232	Institutional bonds	30-Mar-12	8.72%	30-Mar-27	0.9	
INE134E07240	Institutional bonds	30-Mar-12	8.72%	30-Mar-27	2.4	
INE134E08EU6	Institutional bonds	29-Jun-12	9.39%	29-Jun-22	2,695.2	
INE134E08EX0	Institutional bonds	21-Aug-12	9.29%	21-Aug-22	640.0	
INE134E07307	Institutional bonds	22-Nov-12	7.38%	22-Nov-27	25.0	
INE134E07299	Institutional bonds	22-Nov-12	7.21%	22-Nov-22	255.0	
INE134E07323	Institutional bonds	29-Nov-12	7.38%	29-Nov-27	100.0	
INE134E07315	Institutional bonds	29-Nov-12	7.22%	29-Nov-22	30.0	
INE134E07331	Tax Free Bonds	04-Jan-13	7.19%	04-Jan-23	185.9	
INE134E07331	Tax Free Bonds	04-Jan-13	7.69%	04-Jan-23	156.9	
INE134E07349	Tax Free Bonds	04-Jan-13	7.36%	04-Jan-28	150.1	
INE134E07349	Tax Free Bonds	04-Jan-13	7.86%	04-Jan-28	206.9	
INE134E08FJ6	Institutional bonds	04-Mar-13	8.84%	04-Mar-23	1,310.0	
INE134E08FI8	Institutional bonds	04-Mar-13	8.86%	04-Mar-20	54.3	
INE134E08FL2	Institutional bonds	11-Mar-13	9.00%	11-Mar-28	1,370.0	
INE134E08FO6	Institutional bonds	18-Mar-13	8.90%	18-Mar-28	403.0	
INE134E08FN8	Institutional bonds	18-Mar-13	8.90%	18-Mar-23	403.0	
INE134E08FP3	Institutional bonds	18-Mar-13	8.87%	18-Mar-23	70.0	
INE134E08FQ1	Institutional bonds	25-Mar-13	8.94%	25-Mar-28	2,807.0	
INE134E07356	Tax Free Bonds	28-Mar-13	6.88%	28-Mar-23	50.1	
INE134E07356	Tax Free Bonds	28-Mar-13	7.38%	28-Mar-23	46.0	
INE134E07364	Tax Free Bonds	28-Mar-13	7.04%	28-Mar-28	6.1	
INE134E07364	Tax Free Bonds	28-Mar-13	7.54%	28-Mar-28	63.1	
INE134E08FT5	Institutional bonds	14-Jun-13	8.19%	14-Jun-23	800.0	
INE134E07380	Institutional bonds	30-Aug-13	8.46%	30-Aug-28	1,011.1	
INE134E07372	Institutional bonds	30-Aug-13	8.01%	30-Aug-23	113.0	
INE134E07414	Tax Free Bonds	16-Nov-13	8.18%	16-Nov-23	325.1	
INE134E07422	Tax Free Bonds	16-Nov-13	8.43%	16-Nov-23	335.5	
INE134E07430	Tax Free Bonds	16-Nov-13	8.54%	16-Nov-28	932.7	
INE134E07448	Tax Free Bonds	16-Nov-13	8.79%	16-Nov-28	353.3	
INE134E07455	Tax Free Bonds	16-Nov-13	8.67%	16-Nov-33	1,067.4	
INE134E07463	Tax Free Bonds	16-Nov-13	8.92%	16-Nov-33	862.0	
INE134E08FW9	Institutional bonds	13-Jan-14	9.65%	13-Jan-24	1,000.0	
INE134E07505	Institutional bonds	31-Jan-14	9.70%	31-Jan-21	270.0	
INE134E08FX7	Institutional bonds	21-Feb-14	9.70%	21-Feb-24	2,000.0	
INE134E08GA3	Institutional bonds	07-Jul-14	9.20%	07-Jul-21	700.0	
INE134E08GD7	Institutional bonds	19-Aug-14	9.37%	19-Aug-24	855.0	
INE134E08GH8	Institutional bonds	27-Aug-14	9.39%	27-Aug-29	460.0	
INE134E08GG0	Institutional bonds	27-Aug-14	9.39%	27-Aug-24	460.0	
INE134E08GK2	Institutional bonds	08-Oct-14	8.98%	08-Oct-24	961.0	
INE134E08GL0	Institutional bonds	08-Oct-14	8.98%	08-Oct-24	950.0	



## Ratings



INE134E08GR7	Institutional bonds	28-Nov-14	8.66%	27-Nov-21	200.0
INE134E08GU1	Institutional bonds	09-Dec-14	8.48%	09-Dec-24	1,000.0
INE134E08GT3	Institutional bonds	09-Dec-14	8.55%	09-Dec-21	1,200.0
INE134E08GV9	Institutional bonds	29-Dec-14	8.65%	28-Dec-24	2,826.0
INE134E08GW7	Institutional bonds	05-Jan-15	8.65%	04-Jan-25	5,000.0
INE134E08GY3	Institutional bonds	10-Mar-15	8.20%	10-Mar-25	1,600.0
INE134E08HD5	Institutional bonds	19-Mar-15	8.39%	19-Apr-25	925.0
INE134E08HC7	Institutional bonds	19-Mar-15	8.42%	18-Apr-20	200.0
INE134E08HG8	Institutional bonds	27-Mar-15	8.41%	27-Mar-25	5,000.0
INE134E08HF0	Institutional bonds	27-Mar-15	8.38%	27-Apr-20	1,350.0
INE134E07521	Institutional bonds	17-Jul-15	7.16%	17-Jul-25	300.0
INE134E08HP9	Institutional bonds	24-Jul-15	8.53%	24-Jul-20	2,700.0
INE134E08HQ7	Institutional bonds	10-Aug-15	8.45%	10-Aug-20	1,000.0
INE134E08HV7	Institutional bonds	04-Sep-15	8.36%	04-Sep-20	1,250.0
INE134E08HX3	Institutional bonds	18-Sep-15	8.40%	18-Sep-25	1,000.0
INE134E08HW5	Institutional bonds	18-Sep-15	8.46%	18-Sep-20	1,000.0
INE134E07539	Tax Free Bonds	17-Oct-15	7.11%	17-Oct-25	75.1
INE134E07547	Tax Free Bonds	17-Oct-15	7.36%	17-Oct-25	79.3
INE134E07554	Tax Free Bonds	17-Oct-15	7.27%	17-Oct-30	131.3
INE134E07562	Tax Free Bonds	17-Oct-15	7.52%	17-Oct-30	45.2
INE134E07570	Tax Free Bonds	17-Oct-15	7.35%	17-Oct-35	213.6
INE134E07588	Tax Free Bonds	17-Oct-15	7.60%	17-Oct-35	155.5
INE134E08ID3	Institutional bonds	27-Apr-16	8.05%	27-Apr-21	300.0
INE134E08IE1	Institutional bonds	02-May-16	8.03%	02-May-26	1,000.0
INE134E08IG6	Institutional bonds	31-May-16	8.04%	30-May-20	100.0
INE134E08II2	Institutional bonds	16-Aug-16	7.63%	14-Aug-26	1,675.0
INE134E08IH4	Institutional bonds	16-Aug-16	7.50%	16-Aug-21	2,660.0
INE134E08IK8	Institutional bonds	16-Sep-16	7.56%	16-Sep-26	210.0
INE134E08IJ0	Institutional bonds	16-Sep-16	7.47%	16-Sep-21	2,260.0
INE134E08IL6	Institutional bonds	26-Sep-16	7.55%	25-Sep-26	4,000.0
INE134E08IM4	Institutional bonds	30-Sep-16	7.40%	30-Sep-21	1,830.0
INE134E08IN2	Institutional bonds	22-Dec-16	7.27%	22-Dec-21	1,101.0
INE134E08IO0	Institutional bonds	05-Jan-17	7.23%	05-Jan-27	2,635.0
INE134E08IQ5	Institutional bonds	17-Jan-17	6.83%	15-Apr-20	2,000.0
INE134E08IS1	Institutional bonds	15-Feb-17	7.05%	15-May-20	2,551.0
INE134E08IT9	Institutional bonds	20-Feb-17	7.60%	20-Feb-27	1,465.0
INE134E08IW3	Institutional bonds	17-Mar-17	7.50%	17-Sep-20	2,435.0
INE134E08IX1	Institutional bonds	22-Mar-17	7.75%	22-Mar-27	2,000.0
INE134E08IY9	Institutional bonds	27-Mar-17	7.42%	26-Jun-20	3,605.0
INE134E07596	Capital Gain Bonds	31-Jul-17	5.25%	31-Jul-20	18.3
INE134E08EL5	Institutional bonds	20-Mar-12	9.42%	20-Mar-20	650.8
NA	Bonds^^	NA	NA	NA	12,515.4
NA	Long Term Borrowing Programme (FY18)*	NA	NA	NA	32,406.8
Na	Short Term Borrowing Programme (FY18)*	NA	NA	NA	20,000.0
NA	Long Term Borrowing Programme (FY19)~^	NA	NA	NA	12,366.6



## Ratings



NA	Short Term Borrowing Programme (FY19)- <sup>^</sup>	NA	NA	NA	17,000.0
NA	Long Term Borrowing Programme (FY20) <sup>§</sup>	NA	NA	NA	40,669.1
NA	Short Term Borrowing Programme (FY20) <sup>§</sup>	NA	NA	NA	12,000.0
NA	Long Term Borrowing Programme (FY21) <sup>@</sup>	NA	NA	NA	70,000.0
NA	Short Term Borrowing Programme (FY21) <sup>@</sup>	NA	NA	NA	20,000.0
NA	Subordinated debt issue <sup>**</sup>	NA	NA	NA	11,200.0
NA	Cash Credit <sup>##</sup>	NA	NA	NA	10000.0

<sup>\*\*</sup>Not yet issued

<sup>@</sup> Part of borrowing programme for fiscal 2021

<sup>§</sup> Part of borrowing programme for fiscal 2020

<sup>^</sup> Part of borrowing programme for fiscal 2019

<sup>#</sup> Part of borrowing programme for fiscal 2018

<sup>##</sup> Limit for working capital/working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee. Limit includes long term total working capital borrowing not to exceed board-approved limit of Rs 10,000 crore. However, quantum of sanctioned working cap from the Board-approved limit for outstanding working capital borrowing.

### Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Issue	Coupon Rate	Maturity Date
INE134E08CR6	Institutional bonds	15-Mar-10	8.90%	15-Mar-20
INE134E08FR8	Institutional bonds	04-Mar-13	8.86%	04-Mar-20
INE134E08GX5	Institutional bonds	26-Feb-15	8.36%	26-Feb-20
INE134E08FG2	Institutional bonds	20-Feb-13	8.82%	20-Feb-20

### Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of consolidation	Rating
REC Limited	Full	Stable
PFC Consulting Limited	Full	Stable
Energy Efficiently Services Limited	Proportionate	Joint
Power Equity Capital Advisors (Private) Limited	Full	Stable
Challigani Sargaja Power Limited	Proportionate	Asset
Coastal Karnataka Power Limited	Proportionate	Asset
Coastal Maharashtra Mega Power Limited	Proportionate	Asset
Coastal Tamil Nadu Power Limited	Proportionate	Asset
Orissa Integrated Power Limited	Proportionate	Asset
Saktigopal Integrated Power Company Limited	Proportionate	Asset
Ghogarpalli Integrated Power Company Limited	Proportionate	Asset
Taliya Andhra Mega Power Limited	Proportionate	Asset
Deogarh Mega Power Limited	Proportionate	Asset
Cheyar Intra Limited	Proportionate	Asset
Odisha Inrapower Limited	Proportionate	Asset
Deogarh Inrapower Limited	Proportionate	Asset
Bihar Inrapower Limited	Proportionate	Asset
Bihar Mega Power Limited	Proportionate	Asset
Jharkhand Inrapower Limited	Proportionate	Asset

# Ratings



## Annexure - Rating History for last 3 Years

Instrument	Type	Current		2020 (History)		2019		2018		Do
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	
Bond	LT	23561.00 26-03-20	CRISIL AAA/Stable	19-03-20	CRISIL AAA/Stable	05-11-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-01
						27-03-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-01
						19-03-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-01
						22-02-19	CRISIL AAA/Stable	28-03-18	CRISIL AAA/Stable	03-01
						15-02-19	CRISIL AAA/Stable	27-02-18	CRISIL AAA/Stable	06-01
										07-01
Long-Term Borrowing Programme	LT	3000.00 26-03-20	CRISIL AAA/Stable	19-03-20	CRISIL AAA/Stable	05-11-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-01
						27-03-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-01
						19-03-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-01
						22-02-19	CRISIL AAA/Stable	28-03-18	CRISIL AAA/Stable	03-01
						15-02-19	CRISIL AAA/Stable	27-02-18	CRISIL AAA/Stable	06-01
										07-01
Short Term Borrowing programme	ST	6000.00	CRISIL A+	19-03-20	CRISIL A+	05-11-19	CRISIL A+	11-12-18	CRISIL A+	18-01
						27-03-19	CRISIL A+	04-12-18	CRISIL A+	30-01
						19-03-19	CRISIL A+	31-10-18	CRISIL A+	10-01
						22-02-19	CRISIL A+	28-03-18	CRISIL A+	03-01
						15-02-19	CRISIL A+	27-02-18	CRISIL A+	06-01
										07-01
Subordinated Non-Convertible Debentures	LT	0.00 26-03-20	CRISIL AAA/Stable	19-03-20	CRISIL AAA/Stable	05-11-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-01
						27-03-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-01
						19-03-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-01
						22-02-19	CRISIL AAA/Stable	28-03-18	CRISIL AAA/Stable	03-01
						15-02-19	CRISIL AAA/Stable	27-02-18	CRISIL AAA/Stable	06-01
										07-01
Fund-based Bank Facilities	LIS T	10000.00	CRISIL AAA/Stable	19-03-20	CRISIL AAA/Stable	05-11-19	CRISIL AAA/Stable	11-12-18	CRISIL AAA/Stable	18-01
						27-03-19	CRISIL AAA/Stable	04-12-18	CRISIL AAA/Stable	30-01
						19-03-19	CRISIL AAA/Stable	31-10-18	CRISIL AAA/Stable	10-01
						22-02-19	CRISIL AAA/Stable	28-03-18	CRISIL AAA/Stable	03-01
						15-02-19	CRISIL AAA/Stable	27-02-18	CRISIL AAA/Stable	06-01
										07-01

All amounts are in Rs. Cr

# Ratings



## Annexure - Details of various bank facilities

Current facilities			Previous facilities	
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)
Cash Credit*	10000	CRISIL AAA/Stable	Cash Credit*	10000
<b>Total</b>	<b>10000</b>	<b>--</b>	<b>Total</b>	<b>10000</b>

\*Limit for working capital/working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee. Total working capital board-approved limit of Rs. 10,000 crore. However, quantum of sanctioned working capital facilities may be different from the Board-approved working capital borrowing.

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Banks and Financial Institutions](#)

[CRISILs Criteria for Consolidation](#)

[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support](#)

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## Annexure B

### Debenture Trustee Consent Letter



CL/MUM/20-21/BT/115  
Date: 23rd October, 2020

To,  
**Power Finance Corporation Limited**  
Urjanidhi  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi- 110001, India

Dear Sir(s),

Re: **Proposed Public Issue of [Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs")] aggregating up to Rs.10,000 crores (Rupees Ten Thousand Crores) by Power Finance Corporation Limited ("Company") in one or more tranches from time to time ("Issue")**

We, the undersigned, have been appointed by the Issuer as the Debenture Trustee to the Issue in accordance with regulation 4(4) of SEBI (Issue and Listing of Debt Securities), 2008. We hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed for receiving public comments with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and to Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus and Tranche Prospectus(es) to be filed with the Registrar of Companies, National Capital Territory of New Delhi and Haryana ("RoC"), Stock Exchanges and to SEBI in respect of the Issue and also in all related advertisements or subsequent periodical communications or filings pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Beacon Trusteeship Limited
Address:	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051
Tel:	022-26558759
Fax:	-
E-mail:	compliance@beacontrustee.co.in
Investor Grievance Email ID	investorgrievances@beacontrustee.co.in
Website:	www.beacontrustee.co.in
Contact Person:	Mr. Vitthal Nawandhar
SEBI Registration Number:	IND000000569

Logo



We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory or statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

---

#### BEACON TRUSTEESHIP LIMITED

Regd & Corporate Office : 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

CIN : U74999MH2015PLC271288



We confirm that we will immediately inform you and the lead managers of any change to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the lead managers and the legal advisors to the Issue in respect of the Issue.

Sincerely



For Beacon Trusteeship Limited  
Name: Kaustubh Kulkarni  
Designation: Executive Director

CC:


**Trust Investment Advisors Private Limited**  
109/110, Balarama,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051,  
Maharashtra, India

**A. K. Capital Services Limited**  
30-38, Free Press House,  
3rd Floor, Free Press Journal Marg,  
215, Nariman Point,  
Mumbai, 400 021,  
Maharashtra, India.

**Edelweiss Financial Services Limited**  
Edelweiss House, Off. C.S.T Road,  
Kalina, Mumbai 400 098,  
Maharashtra, India

**JM Financial Limited**  
7th Floor,  
Cnergy, Appasabeh Marathe Marg  
Prabhadevi,  
Mumbai - 400 025  
Maharashtra, India

Annexure A

<p><b>डिबेंचर ट्रस्टी</b></p>	<p>FORM 2 FCISS-2</p>	<p><b>DEBENTURE TRUSTEE</b></p>
<p><b>भारतीय प्रतिभूति और विनियम बोर्ड</b>  <b>SECURITIES AND EXCHANGE BOARD OF INDIA</b>          (डिबेंचर ट्रस्टी) विनियम, 1993          (DEBENTURE TRUSTEE) REGULATIONS, 1993          DOD 257</p>		
<p><b>प्रारंभिक प्रमाणपत्र</b>      <b>INITIAL REGISTRATION</b>  <b>CERTIFICATE OF REGISTRATION</b></p>		
<p>1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for, the debenture trustee the Board hereby grants a certificate of registration to</p>		
<p><b>SEACON TRUSTEESHIP LIMITED</b>  <b>3, PRABHAT KUNJ,</b>  <b>PRABHAT COLONY,</b>  <b>SANTACRUZ EAST,</b>  <b>Mumbai 400055</b>  <b>Maharashtra      India</b></p>		
<p>2) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for, the debenture trustee the Board hereby grants a certificate of registration to</p>		
<p>as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>		
<p>2) The registration code for the debenture trustee is</p>		
<p><b>IND000000569</b></p>		
<p>3) This Certificate of Registration shall be valid from 11/04/2016 to 10/04/2021, unless suspended or cancelled by the Board</p>		
<p><b>MUMBAI</b></p>		<p>भारतीय प्रतिभूति और विनियम बोर्ड          Securities and Exchange Board of India</p>
<p>Date: <b>APRIL 11, 2016</b></p>		<p><i>M. Sonparote</i>  <b>MEDHA SONPAROTE</b>          Official Signature - Authorized Signatory</p>

*K. K.*





### Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1. Registration Number	IND000000569
2. Date of registration/ Renewal of registration	April 11, 2016
3. Date of expiry of registration	April 10, 2021
4. If applied for renewal, date of application	Not Applicable
5. Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6. Any enquiry/ investigation being conducted by SEBI	NIL
7. Details of any penalty imposed by SEBI	NIL



**Annexure C**  
**Financial Statements**

**(EXAMINATION REPORT ON REFORMATTED CONSOLIDATED FINANCIAL INFORMATION  
UNDER IND-AS)**

Date: 30<sup>th</sup> December 2020

To,  
The Board of Directors  
**Power Finance Corporation Limited**  
Urjanidhi  
1 Barakhamba Lane, Connaught Place  
New Delhi 110 001  
India

Dear Sirs,

**Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures (“NCDs”) of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited (“Company”) in one of more tranches from time to time (“Issue”)**

1. The management of the Company has approved the accompanying Consolidated Financial Statements of the Company and its subsidiaries, associates and joint ventures (the Company and its subsidiaries, associates and joint ventures together referred to as the “**Group**”), as at and for the year ended on March 31, 2020 and 2019 comprising the Consolidated Statement of Assets and Liabilities as at March 31, 2020 and 2019 (Annexure I), Consolidated Statements of Profit and Loss (including other comprehensive income) (Annexure II), Consolidated Statement of Changes in Equity (Annexure III), the Consolidated Cash Flow Statement for the years March 31, 2020 and 2019 (Annexure IV), Statement of Significant Accounting Policies, and Notes to Accounts (Annexure V) (collectively, the “**Reformatted Consolidated Financial Information under IND-AS**”) annexed to this report which has been prepared in accordance with the requirements of :

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
- (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (“SEBI Regulations”), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992.
- (c) the Guidance Note issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).

to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the “**Prospectuses**”), in connection with the proposed public issue of NCDs by the Company.

2. These Reformatted Consolidated Financial Information under IND-AS and have been compiled by the management from:

Audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2020 and 2019, prepared in accordance with the Indian Accounting Standards (referred to as “**Ind AS**”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors.

3. We have examined the Reformatted Consolidated Financial Information under IND-AS as stated in para 1 & 2 above.
4. The Reformatted Consolidated Financial Information under IND-AS as at end for the year ended March 31, 2019 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure requirements of the financial year ended March 31, 2020 to comply with the requirements of Section 26 of the Act and the SEBI Regulations.
5. The Reformatted Consolidated Financial Information under IND-AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports.
6. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
7. The data in the “Reformatted Consolidated Financial Information” has been extracted from the Audited Financial Statements of the Company, duly audited by M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants, dated May 29, 2019; and by Dass Gupta and Associates, Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants dated June 24, 2020.
8. This report should neither in any way be construed as a reissuance or re-dating of the previous audit report, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. There is no qualification or adverse remark in the auditors’ reports on the financial statements for the year ended March 31, 2020 and 2019. However, there are Emphasis of matter in the annexure to the auditor’s reports which have been included in Annexure – A, which do not have any quantifiable impact on the Reformatted Consolidated Financial Information.
10. The Management of the Company is responsible for preparation of the Consolidated Financial Statements for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations. The Reformatted Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Notes to Accounts to the Reformatted Consolidated Financial Information.
11. We have examined such Reformatted Consolidated Financial Information under IND-AS taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 24, 2020 in connection with the proposed Issue of NCDs of the Issuer;
  - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under IND-AS; and
- (d) The requirements of Section 26 of the Act and the SEBI Debt Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Debt Regulations and the Guidance Note in connection with the Issue.
12. At the Company's request, we have also examined the following other consolidated financial information of the Company (Collectively referred to as “**Other Consolidated Financial Information**”) proposed to be included in the Prospectuses as approved by the Board of Directors or any other Committee thereto, annexed to this report:
- (a) Statements of Accounting Ratios (Consolidated) as at and for the year ended March 31, 2020 and March 31, 2019 (Annexure – VI).
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

**For and on behalf of**

**Gandhi Minocha & Co.**  
**Authorized Signatory**

**MANOJ**  
**BHARDWAJ**  
Digitally signed by  
MANOJ BHARDWAJ  
Date: 2020.12.30  
17:57:15 +05'30'

**Name:** CA Manoj Bhardwaj  
**Designation:** Partner  
**Membership Number:** 098606  
**Date:** 30.12.2020  
**Firm Regn Number:** 000458N  
**Place:** New Delhi  
**UDIN:** 20098606AAAADG9624

**Dass Gupta and Associates**  
**Authorized Signatory**

**NARESH**  
**GOEL**  
Digitally signed by  
NARESH GOEL  
Date: 2020.12.30 17:33:37  
+05'30'

**Name:** CA Naresh Kumar  
**Designation:** Partner  
**Membership Number:** 082069  
**Date:** 30.12.2020  
**Firm Regn Number:** 000112N  
**Place:** New Delhi  
**UDIN:** 20082069AAAAT6298

CC:

- 1) Lead Managers to the issue

**Gandhi Minocha & Co.**  
**Chartered Accountants**  
**B-6 Shakti Nagar extension,**  
**Near Laxmi Bai College,**  
**Delhi – 110 052**  
[manojbhardwaj@gandhiminocha.com](mailto:manojbhardwaj@gandhiminocha.com)

**Dass Gupta & Associates**  
**Chartered Accountants**  
**NDG Center,**  
**B-4, Gulmohar Park**  
**New Delhi – 110 049**  
[admin@dassgupta.com](mailto:admin@dassgupta.com)

**ANNEXURE A**

Financial Year	Auditor Remarks
FY 2020	<b>Emphasis of Matter</b> Note No.68 of the Consolidated Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.
FY 2019	None

**Power Finance Corporation Limited**  
**Consolidated Balance Sheet as at March 31, 2020**

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	8	1,905.21	726.64
(b)	Bank Balance other than included in Cash and Cash Equivalents	9	2,282.96	15,650.40
(c)	Derivative Financial Instruments	10	5,182.27	2,370.56
(d)	Trade Receivables	11	137.31	172.13
(e)	Loans	12	6,46,196.11	5,73,661.28
(f)	Investments (Other than accounted for using equity method)	13A	3,853.72	4,122.38
(g)	Other Financial Assets	14	27,462.12	23,712.97
	<b>Total Financial Assets (1)</b>		<b>6,87,019.70</b>	<b>6,20,416.36</b>
<b>2</b>	<b>Non- Financial Assets</b>			
(a)	Current Tax Assets (Net)	15	1,138.33	800.94
(b)	Deferred Tax Assets (Net)	44	5,005.31	6,369.74
(c)	Investment Property	16	0.01	0.01
(d)	Property, Plant and Equipment	17	186.79	186.45
(e)	Capital Work-in-Progress	17	287.62	196.94
(f)	Intangible Assets under development	17	0.77	1.59
(g)	Other Intangible Assets	17	9.23	9.18
(h)	Right of Use Assets	18	42.07	-
(i)	Other Non-Financial Assets	19	263.94	393.50
(j)	Investments accounted for using equity method	13B	549.90	481.35
	<b>Total Non- Financial Assets (2)</b>		<b>7,483.97</b>	<b>8,439.70</b>
<b>3</b>	Assets Classified as held for sale	20	16.98	12.66
	<b>Total Assets (1+2+3)</b>		<b>6,94,520.65</b>	<b>6,28,868.72</b>
	<b>LIABILITIES AND EQUITY</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative Financial Instruments	10	1,925.55	664.99
(b)	Trade Payables	21		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.15	2.65
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		53.07	72.26
(c)	Debt Securities	22	4,41,765.90	3,98,352.00
(d)	Borrowings (other than Debt Securities)	23	1,40,666.72	1,27,007.23
(e)	Subordinated Liabilities	24	14,130.60	14,128.46
(f)	Other Financial Liabilities	25	29,177.04	24,574.28
	<b>Total Financial Liabilities (1)</b>		<b>6,27,719.03</b>	<b>5,64,801.87</b>
<b>2</b>	<b>Non- Financial Liabilities</b>			
(a)	Current Tax Liabilities (Net)	15	67.40	5.74
(b)	Provisions	26	374.32	366.81
(c)	Other Non-Financial Liabilities	27	193.85	209.95
	<b>Total Non- Financial Liabilities (2)</b>		<b>635.57</b>	<b>582.50</b>
<b>3</b>	Liabilities directly associated with assets classified as held for sale	20	0.68	0.08
	<b>Total Liabilities (1+2+3)</b>		<b>6,28,355.28</b>	<b>5,65,384.45</b>

<b>4</b>	<b>Equity</b>			
(a)	Equity Share Capital	28	2,640.08	2,640.08
(b)	Other Equity	29	46,759.72	44,481.17
	<b>Equity attributable to owners of the Company (a+b)</b>		<b>49,399.80</b>	<b>47,121.25</b>
(c)	Non-Controlling interest	30	16,765.57	16,363.02
	<b>Total Equity (4)</b>		<b>66,165.37</b>	<b>63,484.27</b>
	<b>Total Liabilities and Equity (1+2+3+4)</b>		<b>6,94,520.65</b>	<b>6,28,868.72</b>

Notes annexed hereto form integral part of Consolidated Financial Statements.



**Power Finance Corporation Limited**  
**Consolidated Statement of Profit and Loss for the Year ended March 31, 2020**

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	31	61,628.35	53,427.41
(ii)	Dividend Income	46	105.65	76.63
(iii)	Fees and Commission Income	32	161.91	374.11
(iv)	Other Operating Income	34	293.53	227.50
<b>I.</b>	<b>Total Revenue from Operations</b>		<b>62,189.44</b>	<b>54,105.65</b>
<b>II.</b>	<b>Other Income</b>	35	85.92	51.18
<b>III.</b>	<b>Total Income (I+II)</b>		<b>62,275.36</b>	<b>54,156.83</b>
	<b>Expenses</b>			
(i)	Finance Costs	36	40,844.65	34,626.80
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	47	4,991.32	1,041.44
(iii)	Fees and Commission Expense	37	36.20	44.47
(iv)	Net Loss / (Gain) on Fair Value changes	33	(673.20)	263.54
(v)	Impairment on Financial Instruments	38	1,910.83	(625.73)
(vi)	Cost of Services Rendered		85.18	85.15
(vii)	Employee Benefit Expenses	39	399.72	362.66
(viii)	Depreciation and Amortisation	17/18	24.43	15.49
(ix)	Corporate Social Responsibility Expenses	48	356.44	206.32
(x)	Other Expenses	40	228.55	318.91
<b>IV.</b>	<b>Total Expenses</b>		<b>48,204.12</b>	<b>36,339.05</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>14,071.24</b>	<b>17,817.78</b>
<b>VI.</b>	<b>Exceptional Items</b>		-	-
<b>VII.</b>	<b>Share of Profit / (Loss) in Joint Venture and Associates</b>		21.43	44.25
<b>VIII.</b>	<b>Profit/(Loss) Before Tax (V-VI+VII)</b>		<b>14,092.67</b>	<b>17,862.03</b>
	<b>Tax Expense:</b>			
	<b>(1) Current Tax</b>	44		
	- Current Year		3,004.98	4,182.75
	- Earlier Years		83.02	(12.75)
	<b>(2) Deferred Tax</b>		1,527.42	1,051.76
<b>IX.</b>	<b>Total Tax Expense</b>		<b>4,615.42</b>	<b>5,221.76</b>
<b>X.</b>	<b>Profit/(Loss) for the year from Continuing Operations (VIII-IX)</b>		<b>9,477.25</b>	<b>12,640.27</b>
<b>XI.</b>	<b>Profit/(Loss) From Discontinued Operations (After Tax)</b>		-	-
<b>XII.</b>	<b>Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)</b>		<b>9,477.25</b>	<b>12,640.27</b>
<b>XIII.</b>	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(7.96)	(23.00)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(416.31)	(202.25)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method		(0.30)	(0.13)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		0.80	8.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments		12.39	(0.68)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		0.05	-
	<b>Sub-Total (A)</b>		<b>(411.33)</b>	<b>(217.60)</b>

<b>(B)</b>	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge		(348.86)	(77.08)
	- Cost of Hedging Reserve		(273.61)	-
	- 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 Hedge		80.27	26.93
- Cost of Hedging Reserve		68.86	-	
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		-	-	
	<b>Sub-Total (B)</b>		<b>(477.28)</b>	<b>(50.15)</b>
	<b>Other Comprehensive Income (A+B)</b>		<b>(888.61)</b>	<b>(267.75)</b>
<b>XIV.</b>	<b>Total Comprehensive Income for the Year (XII+XIII)</b>		<b>8,588.64</b>	<b>12,372.52</b>
	<b>Profit for the year attributable to:</b>			
	- Owners of the Company		7,122.13	9,920.86
	- Non-Controlling Interest		2,355.12	2,719.41
			<b>9,477.25</b>	<b>12,640.27</b>
	<b>Other Comprehensive Income for the Year</b>			
	- Owners of the Company		(626.28)	(239.05)
	- Non-Controlling Interest		(262.33)	(28.70)
			<b>(888.61)</b>	<b>(267.75)</b>
	<b>Total Other Comprehensive Income for the Year</b>			
	- Owners of the Company		6,495.85	9,681.81
	- Non-Controlling Interest		2,092.79	2,690.71
			<b>8,588.64</b>	<b>12,372.52</b>
<b>XV.</b>	<b>Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):</b>	51		
	(1) For continuing operations (in ₹)		26.98	37.58
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		26.98	37.58

Notes annexed hereto form integral part of Consolidated Financial Statements.

Power Finance Corporation Limited  
Consolidated Statement of Changes in Equity for the Year ended March 31, 2020

A. Equity Share Capital

Particulars	Opening Balance	Changes during the period	Closing Balance
FY 2018-19	2,640.08	-	2,640.08
FY 2019-20	2,640.08	-	2,640.08

( ₹ in crore)

B. Other Equity

Particulars	Capital Reserve - Common Control	Capital Reserve - Change in shareholding in Joint Venture	Special Reserve created u/s 45-1C(i) of Bank of India Act, 1934	Reserve for doubtful debts u/s 36(i)(vii)(c) of Income Tax Act, 1961	Special Reserve created u/s 36(i)(vii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(i)(vii) of Income Tax Act, 1961 from Financial Year 1997-98	Debiture Redemption Reserve	Securities Premium	Foreign Currency Translation Difference Account	Interest Differential Reserve - KPW Loan	General Reserve	Impairment Reserve	Retained Earnings	Other Comprehensive Income					Attributable to owners of the parent	Non-Controlling interest	Total
														Equity Instruments through comprehensive Income	Effective portion of Gain/ (Loss) on Hedging Instruments in Cash Flow Hedges	Costs of Hedging Reserve	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method				
<b>Balance as at 31.03.2018</b>	(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 year	-	-	-	-	-	-	-	-	-	-	-	-	9,920.86	-	-	-	-	9,920.86	2,719.41	12,640.27	
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	(8.57)	-	-	-	-	(8.57)	(5.97)	(14.54)	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	(0.11)	(180.22)	(50.14)	-	-	(230.47)	(22.73)	(253.20)	
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	9,912.18	(180.22)	(50.14)	-	-	9,681.82	2,690.71	12,372.53	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(1,325.29)	-	-	-	-	(1,325.29)	(1,192.61)	(2,517.90)	
Transfer to / from retained earnings	-	-	-	497.44	-	2,274.58	393.21	-	-	-	1,000.00	-	(299.35)	(14.56)	-	-	-	(299.35)	(248.91)	(548.26)	
Additions / Deletion during the year (net)	-	-	1,997.46	-	-	-	(2.30)	-	-	2.10	-	-	(6,148.13)	(14.56)	-	-	-	(0.00)	(248.91)	(6,487.19)	
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	-	-	-	-	-	-	(770.46)	-	-	-	-	0.20	(2.85)	-	-	-	(770.46)	(321.39)	(1,091.85)	
<b>Balance as at 31.03.2019</b>	(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	-	-	-	-	-	-	-	-	-	-	-	-	7,122.13	-	-	-	-	7,122.13	2,355.12	9,477.25	
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	(6.14)	-	-	-	-	(6.14)	(1.03)	(7.16)	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	(0.20)	(348.59)	(161.51)	-	-	(620.14)	(261.31)	(881.45)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	(22.86)	-	-	-	-	(22.86)	-	(22.86)	
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	7,092.94	(348.59)	(161.51)	-	(2.07)	6,472.99	2,092.79	8,565.78	

(₹ in crore)

Particulars	Reserves and surplus										Other Comprehensive Income				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 Bank Act, 1954	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	Impairment Reserve	Retained Earnings	Equity Instruments through Other comprehensive Income			Effective portion of Gain / (Loss) on Hedging Instruments in Cash Flow Hedges	Costs of Hedging Reserve	Share of other Comprehensive Income of Joint Venture and associates accounted using equity method
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(2,508.08)	-	-	-	(2,508.08)	(1,028.97)	(3,537.05)
Dividends Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	(514.99)	-	-	-	(514.99)	(211.28)	(726.27)
Transfer to / from Retained Earnings	-	-	1,645.79	481.94	-	2,151.40	25.87	-	-	-	417.55	(4,722.54)	-	-	-	-	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	(2,733.94)	-	-	2,733.94	-	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	-	(1,730.03)	-	-	-	-	-	1,730.03	-	-	-	-	-	-	-	-	-
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	1.40	0.03	-	(1.37)	-	-	-	-	-	-	-
Gain on increase in share in EESL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain / loss on sale of equity instrument measured at OCI	-	2.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.23	(1,626.06)
Balance as at 31.03.2020	(13,461.00)	2.47	3,666.61	4,089.44	599.85	27,616.89	0.00	3,953.74	61.40	14,655.76	417.55	8,080.18	(257.72)	(211.65)	(107.77)	0.15	46,759.73	16,765.57	63,525.30

Notes annexed hereto form integral part of Consolidated Financial Statements.

**Power Finance Corporation Limited**  
**Consolidated Statement of Cash Flows for the Year ended March 31, 2020**

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2020	Year ended 31.03.2019
<b>I.</b>	<b>Cash Flow from Operating Activities :-</b>		
	<b>Profit before Tax</b>	<b>14,092.67</b>	<b>17,862.03</b>
	<b>Adjustments for:</b>		
	Loss on derecognition of Property, Plant and Equipment (net)	2.66	1.23
	Loss / (Gain) on sale of Investments	(3.16)	-
	Depreciation and Amortisation	24.43	15.49
	Interest expense on Zero Coupon Bonds and Commercial Papers	898.53	363.04
	Unrealised Foreign Exchange Translation Loss / (Gain)	5,250.80	1,077.58
	Net Change in Fair Value	(657.73)	266.54
	Impact of Effective Interest Rate on Loans	59.05	(9.14)
	Impairment on Financial Instruments	1,910.83	(625.73)
	Interest income on Investments and Others	(437.36)	(505.59)
	Interest on Interest Subsidy Fund	1.35	3.46
	Provision for interest under Income Tax Act, 1961	0.20	9.56
	Excess Liabilities written back	(0.48)	(1.68)
	Provision for Retirement Benefits etc.	44.44	56.09
	Dividend Income	(105.65)	(76.63)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(125.75)	(788.63)
	Interest on Income Tax Refund	(0.66)	(8.29)
	Interest expenses on Lease Liability	0.77	-
	Interest expense on Other Liabilities	0.21	-
	Share of Profit/Loss of Joint Venture accounted for using equity method	(21.43)	(44.25)
	<b>Operating profit before Working Capital Changes:</b>	<b>20,933.72</b>	<b>17,595.09</b>
	<b>Increase / Decrease :</b>		
	Loans (Net)	(73,762.52)	(78,082.12)
	Other Financial and Non-Financial Assets	8,730.00	(27,652.25)
	Derivative	(912.65)	(1,611.07)
	Other Financial & Non-Financial Liabilities and Provisions	5,631.70	14,044.08
	<b>Cash Flow from Operations Before Tax</b>	<b>(39,379.75)</b>	<b>(75,706.27)</b>
	Income Tax paid	(3,385.85)	(4,626.89)
	Income Tax Refund	75.70	81.34
	<b>Net Cash flow from Operating Activities</b>	<b>(42,689.90)</b>	<b>(80,251.82)</b>
<b>II.</b>	<b>Cash Flow From Investing Activities :</b>		
	Proceeds from disposal of Property, Plant and Equipment	1.02	0.28
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(130.52)	(99.46)
	Investment in Subsidiaries	-	(14,500.00)
	Interest income on investment	487.04	411.15
	Dividend on investment	105.65	76.63
	Increase / Decrease in Other Investments	6.62	648.39
	<b>Net Cash Used in Investing Activities</b>	<b>469.81</b>	<b>(13,463.02)</b>
<b>III.</b>	<b>Cash Flow From Financing Activities :</b>		
	Raising of Bonds (including premium) (Net of Redemptions)	27,537.63	(4,737.02)
	Raising of Long Term Loans (Net of Repayments)	16,045.23	60,028.55
	Raising of Foreign Currency Loans (Net of Repayments)	27,911.51	13,353.18
	Raising of Subordinated Liabilities (Net of Redemptions)	0.00	7,562.70
	Raising of Commercial paper (Net of Repayments)	(15,270.30)	7,113.04
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(8,563.96)	13,357.17
	Unclaimed Bonds (Net)	0.59	(2.78)
	Unclaimed Dividend (Net)	0.32	0.53
	Payment of Lease Liability	(1.41)	-
	Payment of Interim Dividend	(3,534.68)	(2,511.50)
	Payment of Corporate Dividend Tax	(726.27)	(547.44)
	<b>Net Cash in-flow from Financing Activities</b>	<b>43,398.66</b>	<b>93,616.44</b>
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	<b>1,178.57</b>	<b>(98.40)</b>
	Add : Cash and Cash Equivalents at beginning of the financial year	726.64	825.04
	<b>Cash and Cash Equivalents at the end of the Year</b>	<b>1,905.21</b>	<b>726.64</b>
	<b>Details of Cash and Cash Equivalents at the end of the Year:</b>		
	i) Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts	1,380.56	369.41
	In Term Deposit Accounts	524.59	357.22
	ii) Cheques, Drafts on hand including postage and Imprest	0.06	0.01
	<b>Total Cash and Cash Equivalents at the end of the Year</b>	<b>1,905.21</b>	<b>726.64</b>

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

**Reconciliation of liabilities arising from financing activities**

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL etc.	Subordinated Debts	Total
	<b>Opening Balance as at 01.04.2018</b>	<b>3,52,792.99</b>	<b>10,924.98</b>	<b>48,066.67</b>	<b>10,174.74</b>	<b>-</b>	<b>6,300.00</b>	<b>4,28,259.40</b>
	Cash Flow During the Year	(4,737.02)	60,028.55	13,353.18	7,113.04	13,357.17	7,562.70	96,677.63
	<u>Non-Cash Changes due to:</u>							
	Adjustments	139.01	-	-	403.14	-	-	542.14
	Variation in Exchange Rates	-	-	2,164.52	-	-	-	2,164.52
	<b>Closing Balance as at 31.03.2019</b>	<b>3,48,194.98</b>	<b>70,953.53</b>	<b>63,584.37</b>	<b>17,690.92</b>	<b>13,357.17</b>	<b>13,862.70</b>	<b>5,27,643.69</b>
	Cash Flow During the Year	27,537.63	16,045.23	27,911.51	(15,270.30)	(8,563.96)	0.00	47,660.11
	<u>Non-Cash Changes due to:</u>							
	Adjustments	150.71	-	-	504.39	-	-	655.10
	Variation in Exchange Rates	-	(0.00)	7,556.60	-	-	-	7,556.60
	<b>Closing Balance as at 31.03.2020</b>	<b>3,75,883.33</b>	<b>86,998.76</b>	<b>99,052.48</b>	<b>2,925.01</b>	<b>4,793.21</b>	<b>13,862.70</b>	<b>5,83,515.50</b>

\*Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flow

\*\*Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in statement of cash flow .

## Notes to the Consolidated Financial Statements for the year ended March 31, 2020

### 1. Group Information

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

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

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

These Consolidated Financial Statements comprise the financial statements of PFC & its subsidiaries (referred to collectively as the ‘Group’), its associates and the Group’s interest in its joint venture entities, as listed at Note 5. The Group is primarily engaged in extending financial assistance to power sector. Other businesses include providing consultancy services to power sector and facilitation of development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs) as per mandate from Government of India (GoI).

### 2. Statement of Compliance

These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms /guidelines.

3. These Consolidated Financial Statements have been approved for issue by Board of Directors (BoD) of PFC on 24.06.2020.

### 4. Standards/ Amendments issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. As at 31.03.2020, there is no such notification which would have been applicable from 01.04.2020.

### 5. The Consolidated Financial Statements represent consolidation of accounts of the Company, its Subsidiaries, Joint Venture entity and Associates as detailed below:

Sr. No.	Name of the company	Country of incorporation / Principal place of Business	Proportion of ownership interest as at		Status of Audit as on 31.03.2020	
			31.03.2020	31.03.2019		
<b>Subsidiaries:</b>						
1	REC Limited* (RECL)	India	52.63%	52.63%	Audited	
2	PFC Consulting Ltd. (PFCCL)*	India	100%	100%	Unaudited	
3	Power Equity Capital Advisors (Private) Ltd.	India	100%	100%	(Refer Note 5.1)	
<b>Joint Venture:</b>						
1	Energy Efficiency Services Ltd (EESL) - (Refer Note 74)	PFC’s share	India	24.97%	36.36%	Unaudited
		through RECL		22.18%	21.70%	
		Group’s share		47.15%	58.06%	
<b>Associates:</b>						
1	Coastal Maharashtra Mega Power Limited	India	100%	100%	Unaudited	
2	Orissa Integrated Power Limited	India	100%	100%	Unaudited	
3	Coastal Karnataka Power Limited	India	100%	100%	Unaudited	
4	Coastal Tamil Nadu Power Limited	India	100%	100%	Unaudited	

5	Chhattisgarh Surguja Power Limited	India	100%	100%	Unaudited
6	Sakhigopal Integrated Power Company Limited	India	100%	100%	Unaudited
7	Ghogarpalli Integrated Power Company Limited	India	100%	100%	Unaudited
8	Tatiya Andhra Mega Power Limited	India	100%	100%	Unaudited
9	Deoghar Mega Power Limited	India	100%	100%	Unaudited
10	Cheyur Infra Limited	India	100%	100%	Unaudited
11	Odisha Infrapower Limited	India	100%	100%	Audited
12	Deoghar Infra Limited	India	100%	100%	Unaudited
13	Bihar Infrapower Limited	India	100%	100%	Audited
14	Bihar Mega Power Limited	India	100%	100%	Unaudited
15	Jharkhand Infrapower Limited	India	100%	100%	Unaudited

\* Consolidated Financial Statements of these subsidiaries have been used for consolidation with PFC.

- 5.1** Pursuant to approval from Ministry of Power (MoP), GoI, PFC had applied for striking off the name of its wholly owned subsidiary Power Equity Capital Advisors Private (PECAP) Ltd. from the records of Registrar of Companies. The necessary Gazette Notification in this regard is yet to be issued by the Ministry of Corporate Affairs (MCA).
- 5.2** The Board of Directors of REC Transmission Projects Company Limited (RECTPCL) and REC Power Distribution Company Limited (RECPDCL), wholly owned subsidiaries of REC Limited, have approved the scheme of amalgamation of RECTPCL (“Transferor Company”) with RECPDCL (“Transferee Company”) which was also approved by the Board of Directors of RECL, subject to requisite approvals.

## **6. Group’s Significant Accounting Policies**

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

### **6.1 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.

### **6.2 Basis of Consolidation**

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

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

#### **i) Subsidiaries:**

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect



those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the Company obtains the control (except for Business Combinations under Common Control).

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

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

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

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

#### **ii) Joint Venture and Associates:**

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

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

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

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

### **6.3 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.

### **6.4 Derivative financial instruments**

- 6.4.1** 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.

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

#### Cash flow hedge

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

#### Fair value hedge

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

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

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

### **6.5 Financial instruments**

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

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

#### **6.5.1 Financial assets**

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

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

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

###### a) Financial assets at Amortised Cost:

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

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

#### Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fees,

transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

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

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

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

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

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

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

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

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

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

Business Model

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

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

ii) Classification and measurement of Equity Instruments

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

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

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

iii) Impairment of financial assets

- a) Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses. The Group presents the ECL charge or reversal

(where the net amount is a negative balance for a particular period) in the Consolidated Statement of Profit and Loss as "Impairment on financial instruments".

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

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

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

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

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

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

d) Financial assets are written off by RECL either partially or in their entirety only when it has stopped pursuing the recovery.

iv) De-recognition of financial assets

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

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

### 6.5.2 Financial liabilities

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

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

ii) Financial guarantee

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

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

### iii) De-recognition of financial liabilities

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

### 6.5.3 **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.

### 6.6 **Investment property**

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

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

#### Subsequent measurement (depreciation and useful lives)

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

#### De-recognition

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

### 6.7 **Property, Plant and Equipment (PPE) and Depreciation**

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- ii. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.
- iii. In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.
- iv. Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Consolidated Statement of Profit and Loss as incurred.
- v. Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.
- vi. Depreciation is recognised so as to write-off the cost of assets less their residual values<sup>#</sup> 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 <sup>(1)</sup>	2 years
Lease hold improvement <sup>(2)</sup>	Lease period or their useful lives whichever is shorter (in case of PFCCCL)

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

\* Depreciation is provided using Straight line method by RECL

<sup>(1)</sup> Useful life has been taken as 2 years by the Group

<sup>(2)</sup> Lease hold improvements are amortised on straight line basis

- vii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
- viii. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.
- ix. Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.
- x. The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'

#### 6.8 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 PFCCCL, life is estimated as 36 months.
- iv. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.
- v. Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

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

## 6.10 Provisions, Contingent Liabilities and Contingent Assets

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

## 6.11 Recognition of Income and Expenditure

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

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

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

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



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

- vi. Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized on completed contract method basis i.e. when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the management.
- vii. The sale proceeds from Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- viii. Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- ix. Dividend income from investments is recognized in Consolidated Statement of Profit and Loss when the Group's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- x. Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.
- xi. Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- xii. Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- xiii. A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

#### **6.12 Expenditure on issue of shares**

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

#### **6.13 Borrowing costs**

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

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

#### **6.14 Employee benefits**

##### **i. Defined Contribution Plan**

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

##### **ii. Defined Benefit Plan**

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

##### **iii. Other long term employee benefits**



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

iv. Short term employee benefits

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

v. Loan to employees at concessional rate

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

## 6.15 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.

## 6.16 Leasing

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

### The Group as a lessee

The Group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified

asset, the Group assesses whether (a) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Group has the right to direct the use of the identified asset.

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

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

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

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

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

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

#### The Group as a lessor

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

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Group in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of lease at the reporting date.

### **6.17 Foreign Currency Transactions and Translations**

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

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

### **6.18 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.

#### **6.19 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.

#### **6.20 Dividends**

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

#### **6.21 Earnings per share**

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

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

### **7. Use of Estimates and Management Judgement**

In preparation of the Consolidated Financial Statements, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities including contingent liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

#### **7.1 Significant management judgements**

In order to enhance understanding of the Consolidated Financial Statements, information about significant areas of critical judgments, apart from those involving estimation (Note no. 7.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements, are as under:

##### **(i) Deferred tax Liability on Special Reserve**

The Company and its subsidiary RECL have obtained resolution from their respective Board of Directors that there is no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961 and the same is not capable of being reversed. Accordingly, no deferred tax liability has been created on the said reserve.

(ii) Non recognition of income on Credit Impaired Loans

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

(iii) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd, Power Grid Corporation of India Ltd. (PGCIL), REC Ltd. (RECL) and PFC.

In line with the JV agreement of EESL, all the joint venture partners have identical rights and privileges including without limitation, dividend, voting rights etc., thereby providing substantive participative rights through their right to affirmative vote on certain reserved matters. Hence, all the JV partners have joint control over EESL. In view of above, EESL has been consolidated as per equity method.

Expert Advisory Committee of The Institute of Chartered Accountants of India was referred for their opinion on the method of consolidation and they have also opined in favour of equity method for consolidation with EESL.

As at 31.03.2020, PFC along with RECL holds 47.15% stake in equity share capital of EESL (24.97% directly and 22.18% through RECL). However, as at 31.03.2019, the Company and RECL held 58.06 % shareholding in EESL.

- b) Ultra-Mega Power Projects (UMPPs), RECL's transmission projects (SPV) and PFCCL's ITPs are managed as per the mandate from Government of India (GoI) and the Group does not have the practical ability to direct their relevant activities unilaterally. The Group therefore, considers its investment in respective UMPPs, ITPs and SPVs as associates having significant influence despite the respective Companies holding 100% of their paid-up equity share capital.

(iv) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets based on available information such as external ratings of the borrower/ latest financial information, latest operational data such as Plant Load Factor, Capacity Utilisation Factor, ACC-ARR gap etc. Further, to assess the impairment of assets, performance of the concerned State has also been considered.

- (v) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

Judgement is required in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, investments in associates and joint ventures. In respect of undistributed profits/losses of subsidiaries, investments in joint ventures, the Company is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future. Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures.

## 7.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined benefit obligation (DBO)

The Group's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note –43.

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, lease assets, LoCs and guarantees measured at amortised cost requires use of statistical models, future economic conditions, and credit behaviour (e.g. inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses).

In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project net realisable value of securities/ collateral etc are assessed. As these estimates are based on various assumptions, actual results may vary. Refer Note 41.2.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/ liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details is disclosed at Note 41.4

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 44 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Group reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 17 for details on useful lives and carrying values of PPE and Intangible assets.

(vi) Impact of COVID-19 on financials

Currently, there is no major impact of COVID-19 on the Consolidated Financial Statements of the Group. However, the extent to which COVID-19 pandemic will impact the Group's financial statements in the future will depend on further developments which are highly uncertain, including, any new information concerning the severity of pandemic and any action to contain its spread or mitigate its impact.

**8 Cash and Cash Equivalents****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	1,380.56	369.41
	- In Term Deposit Accounts	524.59	357.22
(ii)	Cash, Cheques, Drafts on hand including postage & Imprest	0.06	0.01
	<b>Total Cash and Cash Equivalents</b>	<b>1,905.21</b>	<b>726.64</b>

**9 Bank Balance other than included in Cash and Cash Equivalents****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	Earmarked Balances and Term Deposits with Banks for:		
	- Term Deposits	-	13,877.63
	- Unpaid Dividend (Refer Note 9.2)	8.23	7.31
	- Unpaid - Bonds / Interest on Bonds etc. (Refer Note 9.2)	12.99	9.73
	- Govt. funds for further Disbursement	1,850.70	990.46
(ii)	Deposit in compliance of Court	0.53	2.47
(iii)	Balance with Bank not available for use pending allotment of securities	400.19	722.04
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	9.04	26.80
(v)	Other Term Deposits	1.28	13.96
	<b>Total Bank Balance other than included in Cash and Cash Equivalents</b>	<b>2,282.96</b>	<b>15,650.40</b>

9.1 There are no repatriation restrictions with respect to 'Bank Balances other than included in Cash and Cash equivalents' as at the end of the reporting periods presented above.

9.2 No amount is due for deposit in Investor Education and Protection Fund.



10.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

Sr. No.	Description	As at 31.03.2020	As at 31.03.2019
(i)	Notional principal of swap agreements	46,573.66	39,864.98
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	422.05	354.20
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	(743.60)	53.90

The Group has entered into swap agreements with Category-I Authorized Dealer Banks only, in accordance with the RBI guidelines.

10.2 The Group does not hold any exchange traded derivatives as at 31.03.2020 (as at 31.03.2019 Nil).

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020			As at 31.03.2019		
		Currency Derivatives	Interest Rate Derivatives <sup>(1)</sup>	Other Derivatives (Reverse cross currency swaps) <sup>(3)</sup>	Currency Derivatives	Interest Rate Derivatives <sup>(1)</sup>	Other Derivatives (Reverse cross currency swaps) <sup>(3)</sup>
(i)	Derivatives (Notional Principal Amount)						
	For hedging	49,483.11	46,573.66	4,347.00	42,422.78	39,864.98	-
(ii)	Marked to Market Positions (MTM)						
	a) Asset (+MTM)	4,760.22	422.05	-	2,016.36	354.20	-
	b) Liability (-MTM)	20.23	1,165.65	739.67	364.70	300.29	-
(iii)	Unhedged Exposures <sup>(2)</sup>	50,534.31	6,522.56	-	22,017.13	5,907.41	-

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities and also those held as strategy of cost reduction

<sup>(2)</sup> Includes certain hedges of one currency pair in respect of Cross Currency exposures

<sup>(3)</sup> Includes Reverse Cross Currency swap as a strategy of cost reduction

10.4 Refer Note 41.2.3 and 41.2.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and 41.3 for disclosures related to hedge accounting.



**11 Trade Receivables****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	<b>Trade Receivables</b>		
	- considered good - Unsecured (Gross)	114.51	182.96
	Less: Impairment loss allowance	(13.66)	(12.51)
	- which have Significant Increase in Credit Risk (Gross)	52.01	3.37
	Less: Impairment loss allowance	(15.55)	(1.69)
	- Credit Impaired (Gross)	40.04	28.16
	Less: Impairment loss allowance on Credit Impaired	(40.04)	(28.16)
	<b>Total Trade Receivables</b>	<b>137.31</b>	<b>172.13</b>

**11.1** For details of impairment loss allowance on Trade Receivables Refer Note 41.2.1.13

## 12 Loans

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
<b>(A)</b>	<b>Loans to Borrowers</b>		
(i)	- Rupee Term Loans (RTLs)	6,52,971.18	5,78,485.27
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,031.28	1,759.67
(iv)	- Working Capital Loans	11,417.96	14,770.27
(v)	- Leasing (Refer Note 12.2)	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	444.09	396.64
(vii)	- Interest accrued but not due on Loans	5,327.77	4,971.81
(viii)	- Interest accrued & due on Loans	1,499.41	627.13
(ix)	- Unamortised Fee on Loans	(180.74)	(135.30)
	<b>Gross Loans to Borrowers*</b>	<b>6,73,975.71</b>	<b>6,01,340.25</b>
	Less: Impairment loss allowance	(27,779.60)	(27,678.97)
	<b>Net Loans to Borrowers</b>	<b>6,46,196.11</b>	<b>5,73,661.28</b>
<b>(B)</b>	<b>Security-wise classification</b>		
(i)	Secured by Tangible Assets	4,62,325.24	4,08,335.85
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,32,352.12	1,12,226.15
(iv)	Unsecured	79,298.35	80,778.25
	<b>Gross Security-wise classification</b>	<b>6,73,975.71</b>	<b>6,01,340.25</b>
	Less: Impairment loss allowance	(27,779.60)	(27,678.97)
	<b>Net Security-wise classification</b>	<b>6,46,196.11</b>	<b>5,73,661.28</b>
<b>(C) I</b>	<b>Loans in India</b>		
(i)	Public Sector	5,78,351.25	5,13,929.13
(ii)	Private Sector	95,624.46	87,411.12
	<b>Gross Loans in India</b>	<b>6,73,975.71</b>	<b>6,01,340.25</b>
	Less: Impairment loss allowance	(27,779.60)	(27,678.97)
	<b>Net Loans in India</b>	<b>6,46,196.11</b>	<b>5,73,661.28</b>
<b>(C) II</b>	<b>Loans Outside India</b>		
	Less: Impairment loss allowance	-	-
	<b>Net Loans Outside India</b>	<b>-</b>	<b>-</b>
	<b>Net Loans in India and Outside India</b>	<b>6,46,196.11</b>	<b>5,73,661.28</b>

\*For details of Loans pledged as security refer Note 22.8 to 22.16 and 23.12.

### 12.1 Balance Confirmation from Borrowers

During the year, PFC has sent letters to borrowers, seeking confirmation of balances as at 31.03.2020 except where loans have been recalled or pending before court/NCLT. Confirmations for 98.78% of the said balances have been received. Out of the remaining loans amounting to ₹ 4,191.19 crore for which balance confirmations have not been received, 22.75% loans are secured by tangible securities, 49.26% by way of Government Guarantee/ Loans to Government and 27.99% are unsecured loans.

In respect of subsidiary RECL, loan balance confirmations for 88% of total loan assets as at 31.03.2020 have been received from the borrowers. Out of the remaining 12% loan assets amounting to ₹ 37,240.72 crore for which balance confirmations have not been received, 67% loans are secured by way of hypothecation of assets, 21% by way of Government Guarantee/ Loans to Government and 12% are unsecured loans.

### 12.2 Details related to Lease Assets in respect of PFC:

Gross investment in leased assets and present value of minimum value receivable at the reporting date and value of unearned financial income are given in table below:

Particulars <sup>(a)</sup>	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
(i) Total of future undiscounted lease payments receivable (Gross Investment) <sup>(b)</sup>	280.04	305.75
(ii) Present value of lease payments receivable (Net Investments)	223.77	223.77
<b>Total Unearned finance income (i)-(ii)</b>	<b>56.27</b>	<b>81.98</b>
<b>Maturity profile of total of future undiscounted lease payments receivable (Gross Investment):-</b>		
0-1 year	25.70	25.70
1-2 years	25.70	25.70
2-3 years	25.70	25.70
3-4 years	25.70	25.70
4-5 years	25.70	25.70
Later than 5 years	151.54	177.25
<b>Total gross investment</b>	<b>280.04</b>	<b>305.75</b>

<sup>(a)</sup> Finance lease for financing wind turbine generators.

<sup>(b)</sup> Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

### 12.3 Disclosures related to Securitization

- (i) The Group has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2020 (As at 31.03.2019 Nil).
- (ii) The Group has entered into an One Time Settlement (OTS) scheme involving assignment of debt in case of one of the borrower for the year ended 31.03.2020. (Previous year Nil).
- (iii) The Group has not undertaken any assignment transaction during the year ended 31.03.2020 (Previous year Nil).
- (iv) The Group has neither purchased nor sold any non-performing financial assets to other NBFCs during the year ended 31.03.2020 (Previous year Nil).

**12.4** Pursuant to implementation of resolution plans in case of three borrowers of PFC, an amount of ₹ 1,202.67 crore has been written off with reversal of corresponding impairment loss allowance of ₹ 1,374.28 crore during the FY 2019-20. Refer Note 13 for the details of instruments received under settlement.

**12.5** In terms of the settlement under Insolvency and Bankruptcy Code (IBC) proceedings/ One Time Settlement (OTS), RECL has written off loans amounting to ₹ 378.41 crore (Previous year Nil). The details of write-offs for the current year are as below:

- (i) Pursuant to the approval of Resolution Plan passed by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench dated 26th July, 2019 in respect of Lanco Teesta Hydro Power Ltd, RECL has written off the loan amount of ₹112.67 crore (net of recoveries of ₹124.12 crore) and equity investment of ₹102 crore (10.20 crore equity shares of ₹10 each) upon extinguishment of such equity shares as per the Order.

(ii) Pursuant to the One Time Settlement arrangement executed on 23rd December 2019 in respect of Rattan India Power Ltd, RECL has written-off an amount of ₹265.74 crore after appropriating the recoveries of ₹ 478.09 crore (Cash ₹ 405.90 crore, Equity Shares ₹ 17.59 crore, Redeemable Preference Shares ₹22.18 crore and Optionally convertible cumulative Redeemable Preference Shares ₹32.42 crore). The instruments received under Settlement have been classified under the head 'Investments' (Note 13).

**12.6** For details of credit risk exposure and management by the Group refer Note 41.2.1.

## 13A. Investments (Other than accounted for using equity method)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020				
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	Total (1)+(4)
(A)	<b>Investments</b>					
	<b>Government Securities</b>					
	- Govt. of MP Power Bonds - II [1 bond of ₹ 47.16 crore]	-				-
(i)	<b>Debt securities</b>					
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]			810.05	810.05	810.05
	- 11.15 % perpetual bonds of Indian Bank [5,000 bonds of ₹ 10,00,000 each]			500.31	500.31	500.31
	- 11.25 % perpetual bonds of Bank of Baroda [5,000 bonds of ₹ 10,00,000 each]			500.00	500.00	500.00
	- 11.25 % perpetual bonds of Syndicate Bank [5,000 bonds of ₹ 10,00,000 each]			500.31	500.31	500.31
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO) [86,798 bonds of ₹ 1,000 each]	8.81				8.81
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [42,855 bonds of ₹ 1,000 each]	4.60				4.60
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [35,463 bonds of ₹ 1,000 each]	3.67				3.67
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA) [61,308 bonds of ₹ 1,000 each]	6.22				6.22
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC) [22,338 bonds of ₹ 1,000 each]	2.31				2.31
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD) [14,028 bonds of ₹ 1,000 each]	1.40				1.40
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation (HUDCO) [50,000 bonds of ₹ 1,000 each]	5.09				5.09
(ii)	<b>Equity instruments :</b>					-
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		46.50		46.50	46.50
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		195.57		195.57	195.57
	- NHPC Limited (Refer Note 13.5) [40,97,75,446 equity shares of ₹ 10 each]		817.50		817.50	817.50
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-	-
	- GMR Chhattisgarh Energy Limited (Refer Note 13.5)		-		-	-
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 13.5)		-		-	-
	- RattanIndia Power Limited (Refer Note 13.3(a)) [32,76,95,820 equity shares of ₹ 10 each]			44.24	44.24	44.24
	- Housing and Urban Development Corporation. Ltd [3,47,429 equity shares of ₹ 10 each]		0.69		0.69	0.69
	- Indian Energy Exchange Ltd. (Refer Note 13.5) [1,22,71,211 equity shares of ₹ 1 each]		157.01		157.01	157.01
	- Universal Commodity Exchange Ltd. [1,60,00,000 equity shares of ₹ 10 each]				-	-
	- Lanco Teesta Hydro Power Pvt. Ltd. (Refer Note 13.5)				-	-
(iii)	<b>Preference Shares</b>					
	- Raipur Energen Limited (Refer Note 13.3(b)) [59,82,371 Redeemable Preference Shares of ₹ 100 each]	9.29				9.29
	- Ratnagiri Gas and Power Private Limited (Refer Note 13.4) [15,24,88,000 Cumulative Redeemable Preference Shares of ₹ 10 each]	-				-
	- RattanIndia Power Limited (Refer Note 13.3(a)) [10,16,70,764 Redeemable Preference Shares of ₹ 10 each]	81.92				81.92
	- RattanIndia Power Limited (Refer Note 13.3(a)) [15,32,97,013 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			145.99	145.99	145.99
(iv)	<b>Others</b>					
	- Units of "Small is Beautiful" Fund [1,23,04,400 units of ₹ 10 each]		12.24		12.24	12.24
	<b>Total Investments (Other than accounted for using equity method)</b>	<b>123.31</b>	<b>1,229.51</b>	<b>2,500.90</b>	<b>3,730.41</b>	<b>3,853.72</b>
(B)	<b>Geography wise investment</b>					
(i)	Investments Outside India	-	-	-	-	-
(ii)	Investments in India	123.31	1,229.51	2,500.90	3,730.41	3,853.72
	<b>Gross Geography wise investment</b>	<b>123.31</b>	<b>1,229.51</b>	<b>2,500.90</b>	<b>3,730.41</b>	<b>3,853.72</b>
	Less: Impairment loss allowance	-	-	-	-	-
	<b>Net Geography wise investment</b>	<b>123.31</b>	<b>1,229.51</b>	<b>2,500.90</b>	<b>3,730.41</b>	<b>3,853.72</b>

Sr. No.	Particulars	As at 31.03.2019				
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	Total (1)+(4)
(A)	<b>Investments</b>					
	<b>Government Securities</b>					
	- Govt. of MP Power Bonds - II [1 bond of ₹ 47.16 crore]	47.16	-	-	-	47.16
(i)	<b>Debt securities</b>					
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]	-	-	809.84	809.84	809.84
	- 11.15 % perpetual bonds of Indian Bank [5,000 bonds of ₹ 10,00,000 each]	-	-	500.31	500.31	500.31
	- 11.25 % perpetual bonds of Vijaya Bank [5,000 bonds of ₹ 10,00,000 each]	-	-	556.25	556.25	556.25
	- 11.25 % perpetual bonds of Syndicate Bank [5,000 bonds of ₹ 10,00,000 each]	-	-	500.31	500.31	500.31
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO) [86,798 bonds of ₹ 1,000 each]	8.81	-	-	-	8.81
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [42,855 bonds of ₹ 1,000 each]	4.60	-	-	-	4.60
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [35,463 bonds of ₹ 1,000 each]	3.68	-	-	-	3.68
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA) [61,308 bonds of ₹ 1,000 each]	6.22	-	-	-	6.22
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC) [22,338 bonds of ₹ 1,000 each]	2.31	-	-	-	2.31
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD) [14,028 bonds of ₹ 1,000 each]	1.40	-	-	-	1.40
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO) [50,000 bonds of ₹ 1,000 each]	5.09	-	-	-	5.09
(ii)	<b>Equity instruments :</b>					
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]	-	88.14	-	88.14	88.14
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]	-	331.24	-	331.24	331.24
	- NHPC Limited [41,97,75,446 equity shares of ₹ 10 each]	-	1,036.85	-	1,036.85	1,036.85
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]	-	-	-	-	-
	- GMR Chhattisgarh Energy Private Limited [27,50,00,000 equity shares of ₹ 10 each]	-	-	-	-	-
	- Shree Maheshwar Hydro Power Projects Limited [13,18,46,779 equity shares of ₹ 10 each]	-	-	-	-	-
	- Housing and Urban Development Corporation. Ltd [3,47,429 equity shares of ₹ 10 each]	-	1.56	-	1.56	1.56
	- Indian Energy Exchange Ltd. [1,25,00,000 equity shares of ₹ 1 each]	-	206.25	-	206.25	206.25
	- Universal Commodity Exchange Ltd. [1,60,00,000 equity shares of ₹ 10 each]	-	-	-	-	-
	- Lanco Teesta Hydro Power Pvt. Ltd. [10,20,00,000 equity shares of ₹ 10 each]	-	-	-	-	-
(iii)	<b>Others</b>					
	- Units of "Small is Beautiful" Fund [1,23,04,400 units of ₹ 10 each]	-	12.36	-	12.36	12.36
	<b>Total Investments (Other than accounted for using equity method)</b>	<b>79.27</b>	<b>1,676.40</b>	<b>2,366.71</b>	<b>4,043.11</b>	<b>4,122.38</b>
(B)	<b>Geography wise investment</b>					
(i)	Investments Outside India	-	-	-	-	-
(ii)	Investments in India	79.27	1,676.40	2,366.71	4,043.11	4,122.38
	<b>Gross Geography wise investment</b>	<b>79.27</b>	<b>1,676.40</b>	<b>2,366.71</b>	<b>4,043.11</b>	<b>4,122.38</b>
	Less: Impairment loss allowance	-	-	-	-	-
	<b>Net Geography wise investment</b>	<b>79.27</b>	<b>1,676.40</b>	<b>2,366.71</b>	<b>4,043.11</b>	<b>4,122.38</b>

## 13B. Investments accounted for using equity method

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	<b>Joint Venture</b> - Energy Efficiency Services Limited (Refer Note 74) [46,36,00,000 equity shares of ₹ 10 each; previous year 39,20,00,000 equity shares of ₹ 10 each]	549.40	480.65
(ii)	<b>Associates (Refer Note 13.1)</b> - Ultramega Power Projects / Independent Transmission Projects [7,60,000 equity shares of ₹ 10 each; previous year 7,60,000 equity shares of ₹ 10 each]	0.50	0.70
	<b>Sub Total</b>	<b>549.90</b>	<b>481.35</b>
	Less: Impairment loss allowance	-	-
	<b>Total Investments accounted for using equity method</b>	<b>549.90</b>	<b>481.35</b>

**13.1 Carrying Value of Investment in Associates accounted for using equity method:**

(₹ in crore)

Sr. No.	Name of investee company	As at 31.03.2020	As at 31.03.2019
(i)	Chhattisgarh Surguja Power Limited	-	0.05
(ii)	Coastal Karnataka Power Limited	-	0.05
(iii)	Coastal Maharashtra Mega Power Limited	-	0.05
(iv)	Orissa Integrated Power Limited	-	-
(v)	Coastal Tamil Nadu Power Limited	0.08	0.05
(vi)	Sakhigopal Integrated Power Limited	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited	-	0.05
(ix)	Deoghar Mega Power Limited	0.04	0.05
(x)	Cheyur Infra Limited	0.05	0.05
(xi)	Odisha Infrapower Limited	0.04	0.05
(xii)	Deoghar Infra Limited	0.05	0.05
(xiii)	Bihar Infrapower Limited	0.05	0.05
(xiv)	Bihar Mega Power Limited	0.05	0.05
(xv)	Jharkhand Infrapower Limited	0.04	0.05
	<b>Total Carrying Value</b>	<b>0.50</b>	<b>0.70</b>

Associates are companies incorporated as SPVs under mandate from GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process and Special Purpose Vehicle in respect of Independent Transmission Project (ITPs) incorporated by PFCL, being the bid process coordinator for transmission schemes.

**13.2** Government of India (GoI) has communicated for closure/ discontinuation of four UMPPs viz. Tatiya Andhra Mega Power Limited, Coastal Karnataka Power Limited, Coastal Maharashtra Mega Power Limited and Chhattisgarh Surguja Power Limited.

**13.3** During the year, subsequent to implementation of Resolution Plans, Group has obtained the following investments:

(a) In respect of RattanIndia Power Ltd. (RIPL), the group has been allotted 32,76,95,820 equity shares, 10,16,70,764 redeemable preference shares and 15,32,97,013 optionally convertible cumulative redeemable preference shares of RIPL.

(b) 59,82,371 Redeemable Preference Shares (RPS) of ₹ 100 each of Raipur Energen Limited (previously known as GMR Chhattisgarh Energy Ltd). The RPS bears a dividend at the rate of 0.01% p.a.

**13.4** Subsequent to the implementation of demerger scheme, PFC has received 15,24,88,000, 0.01% Cumulative Redeemable Preference Shares (CRPS) of Ratnagiri Gas & Power Pvt Ltd. of ₹ 10 per share (valued at ₹ 1 as at 31.03.2020).

**13.5** At initial recognition, companies in the Group made an irrevocable election to present in other comprehensive income, subsequent changes in the fair value of investments in certain equity instruments. The Group's main operation is to provide financial assistance to power sector. Thus, in order to insulate the Statement of Profit and Loss from price fluctuations of these instruments, the Management of the respective companies believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares derecognised	Fair Value as on date of de-recognition	Cumulative gain/ (loss) on de-recognition
<b>FY 2019-20</b>			
NHPC Limited <sup>(1)</sup>	1,00,00,000	26.33	4.55



GMR Chhattisgarh Energy Ltd. <sup>(2)</sup>	27,50,00,000	-	(254.51)
Shree Maheshwar Hydro Power Corporation Limited (SMHPCL) <sup>(3)</sup>	13,18,46,779	-	-
Indian Energy Exchange Limited <sup>(4)</sup>	2,28,789	4.23	4.21
Lanco Teesta Hydro Power Limited <sup>(5)</sup>	10,20,00,000	-	(102)
<b>FY 2018-19</b>			
Power Grid Corporation of India Limited	3,89,349	7.67	5.63
NHPC Limited <sup>(1)</sup>	2,47,78,470	68.41	14.35

<sup>(1)</sup>These equity shares were sold in tranches during the year. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented on aggregate basis.

<sup>(2)</sup>During the year, 27,50,00,000 equity shares of GMR Chhattisgarh Energy Ltd. held by PFC, were transferred to a new promoter as a part of the package on implementation of resolution plan by way of transfer of ownership.

<sup>(3)</sup>Pursuant to an MoU signed with SMHPCL (a borrower company) during the year, 661,00,000 equity shares received by PFC during FY 2016-17 on conversion of part subordinated debt, have been cancelled. Consequently, PFC has restored the subordinated debt at the same net carrying value of ₹ 1. Further, 6,57,46,779 equity shares held by PFC on account of invocation of pledged shares of Entegra Ltd. in SMHPCL have been handed over to Entegra Ltd during the year.

<sup>(4)</sup>Under the Buy Back Offer of Indian Energy Exchange Limited, RECL has sold shares on 10.04.2019. The shares had been offered to be bought back at a price higher than the prevailing market price and RECL considered it as an opportunity to sell a large lot of equity shares through this mode, instead of selling the shares in open market at lower prices.

<sup>(5)</sup>Pursuant to the approval of Resolution Plan passed by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench dated 26th July, 2019 in respect of Lanco Teesta Hydro Power Ltd, RECL has written off its equity investment upon extinguishment of such equity shares as per the order.

Subsequent to de-recognition of such investments, the Group has transferred the cumulative gain/(loss) on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the period. Refer Consolidated Statement of Changes in Equity for further details

**13.6** Refer Note 41.4 for details of fair valuation of investments.

**14 Other Financial Assets**

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Recoverable on account of Government of India Serviced Bonds	26,970.02	23,169.32
(ii)	Advances to Associates*	154.27	196.22
(iii)	Advances to Employees	0.90	1.09
(iv)	Loans to Employees	129.58	78.87
(v)	Others	258.99	307.92
	Less: Impairment loss allowance on Others (Refer Note 14.2)	(51.64)	(40.45)
	<b>Total Other Financial Assets</b>	<b>27,462.12</b>	<b>23,712.97</b>

\*Recoverable in cash.

**14.1 Detail of Loans & Advances to KMPs :**

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans & Advances to KMPs (including interest accrued)	0.84	0.98

**14.2 Movement of Impairment on other Financial Assets**

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance	40.45	17.53
Movement during the year	11.19	22.92
Closing balance	51.64	40.45

**15 Current Tax Assets / Liabilities (Net)**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Advance income tax and TDS	747.84	643.73
(ii)	Tax Deposited on income tax demands under contest	390.49	157.21
	<b>Total Current Tax Assets (Net)</b>	<b>1,138.33</b>	<b>800.94</b>
(i)	Provision for income tax for demand under contest	67.40	5.74
	<b>Total Current Tax Liabilities (Net)</b>	<b>67.40</b>	<b>5.74</b>



17.1 The Company reviews the estimated useful life, residual values and depreciation method of Property, Plant & Equipment and Intangible Assets at the end of each financial year and changes, if any, are accounted prospectively. Details of useful life of Property Plant & Equipment and Intangible Assets are as under:

Category	Building	EDP Equipment		Office Equipment	Cell Phone	Furniture and Fixture	Vehicles	Intangible Assets
		Servers and networks	End user devices i.e. desktops, laptops etc.					
Useful Life (in Years)	60	6	3	5	2	10	8	5
Residual value as a % of original Cost	5%	5%	5%	5%	5%	5%	5%	-

17.2 The estimated useful lives of the property, plant and equipment (PPE) is in line with the life prescribed in Schedule II of Companies Act, 2013, except for cell phones where useful life has been estimated as 2 years by the Company.

Depreciation on PPE is recognised so as to write off the cost of property, plant and equipment less their residual values as per written down value method, over the estimated useful lives. The intangible assets are amortised using straight-line method over their useful life.

17.3 In the opinion of management of PFC and its subsidiary REC Ltd., there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

17.4 The Details of pledged as security are as under:

In case of the Company details of assets pledged as security refer note 22.8 & 22.9. In case of PFC's Subsidiary REC Ltd. details of assets pledged as security are as under:

Particulars	₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Gross Carrying Value	3.45	3.45
Net Carrying Value	2.41	2.46

17.5 In case of PFC Subsidiary REC Ltd., As on 31st March 2020, the formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by the Company are yet to be executed. The details are as bx

Particulars	₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Gross Carrying Value	Land	Building
	68.31	4.59
Net Carrying Value	68.31	2.14
	68.31	2.20

17.6 While PFC's subsidiary REC Ltd. has not made any specific borrowings for construction of a qualifying asset, the Company has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings for the Company in terms of Ind AS 23 'Borrowing Costs'. In line with the applicable accounting guidance, the Company has not capitalised the borrowings costs for the period during which the construction work has been suspended owing to Covid-19 disruptions.

**18 Right-of-use Assets****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	<b>Opening Balance of Leasehold Land</b>	-	-
(ii)	Additions (Refer Note 45)	45.84	-
(iii)	Less: Accumulated Depreciation*	3.77	-
	<b>Closing Balance of Leasehold Land</b>	<b>42.07</b>	<b>-</b>

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

**19 Other Non-Financial Assets****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	Prepaid Expenses	3.40	36.95
(ii)	Deferred Employee Costs	62.13	54.30
(iii)	Capital Advances	93.75	79.09
(iv)	Other assets	104.66	223.16
	<b>Total Other Non-Financial Assets</b>	<b>263.94</b>	<b>393.50</b>

20 Assets Classified as held for sale\*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
<b>(A)</b>	<b>Assets classified as held for sale</b>		
(i)	Investment in associates (Refer Note 20.1)	0.23	0.54
(ii)	Loan to associates (Refer Note 20.2)	16.75	12.12
	<b>Total (A)</b>	<b>16.98</b>	<b>12.66</b>
<b>(B)</b>	<b>Liabilities directly associated with assets classified as held for sale</b>		
(i)	Payable to associates (Refer Note 20.3)	0.68	0.08
	<b>Total (B)</b>	<b>0.68</b>	<b>0.08</b>
	<b>Disposal Group - Net assets (A-B)</b>	<b>16.30</b>	<b>12.58</b>

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

20.1 Investment in associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Investments in Equity Instruments of associates (fully paid up equity shares of ₹ 10/- each )</b>		
(i)	Dinchang Transmission Ltd.*	-	-
(ii)	Ajmer Phagi Transco Ltd.	-	0.05
(iii)	Bhindguna Transmission Ltd.	-	0.05
(iv)	Chandil Transmission Ltd.	0.05	0.05
(v)	Dumka Transmission Ltd.	0.05	0.05
(vi)	Jam Khambaliya Transco Ltd.	-	0.05
(vii)	Khetri Transco Ltd.	-	0.05
(viii)	Koderma Transmission Ltd.	0.05	0.05
(ix)	Lakadia Banaskantha Transco Ltd.	-	0.05
(x)	Mandar Transmission Ltd.	0.05	0.05
(xi)	Udupi Kasargode Trans. Ltd.	-	0.05
(xii)	Vapi II North Lakhimpur Transmission Ltd.	0.01	0.01
(xiii)	Koppal Narendra Transmission Ltd.	0.01	-
(xiv)	Karur Transmission Ltd.	0.01	-
(xv)	Bhuj-II Transmission Ltd.	-	0.01
(xvi)	Fatehgarh - II Transco Ltd.	-	0.01
(xvii)	Bikaner Khetri Transmission Ltd.	-	0.01
	<b>Total</b>	<b>0.23</b>	<b>0.54</b>

\* Dinchang Transmission Ltd was denotified vide MoP letter dated 25 March 2019 and subsequently investment was written off. MoP permission for striking off company with MCA has been obtained during the year.

20.2 Loan to Associates

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Chandil Transmission Ltd.	2.49	1.99
(ii)	Dumka Transmission Ltd.	2.18	1.94
(iii)	Mandar Transmission Ltd.	2.43	1.71
(iv)	Koderma Transmission Ltd.	2.23	1.76
(v)	Ajmer Phagi Transco Ltd.	-	0.18
(vi)	Bhindguna Transmission Ltd.	-	0.88
(vii)	UDUPI Kasargode Transmission Ltd.	-	0.25
(viii)	WRSS XXI (A) Transco Ltd.	-	0.35
(ix)	Vapi II North Lakhimpur Transmission Ltd.	3.71	1.81
(x)	Koppal Narendra Transmission Ltd.	1.69	-
(xi)	Karur Transmission Ltd.	2.02	-
(xii)	Bhuj-II Transmission Ltd.	-	0.32
(xiii)	Fatehgarh - II Transco Ltd.	-	0.31
(xiv)	Bikaner Khetri Transmission Ltd.	-	0.30
(xv)	Lakadia-Vadodara Transmission Project Ltd.	-	0.32
	<b>Total</b>	<b>16.75</b>	<b>12.12</b>

**20.3 Liabilities directly associated with assets classified as held for sale****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	Bidar Karnataka Line*	0.10	-
(ii)	Gadag Karnataka Part A Line*	0.10	-
(iii)	Solar Energy Rajasthan Part A Line*	0.11	-
(iv)	Solar Energy Rajasthan Part B Line*	0.06	-
(v)	Solar Energy Rajasthan Part C Line*	0.16	-
(vi)	Rajgarh Madhya Pradesh Line*	0.15	-
(vii)	Osmanabad Maharashtra Line*	-	-
(viii)	Khetri Transco Ltd.	-	0.04
(ix)	Lakadia Banaskantha Transco Ltd.	-	0.04
	<b>Total</b>	<b>0.68</b>	<b>0.08</b>

\*These SPVs are in process of incorporation. However as RFP was issued by March 2020 therefore as per allocation policy, expense have been allocated.

**20.4** In respect of PFC's subsidiaries, REC Ltd. and PFC Consulting Ltd., their management had incorporated these entities with a view to sell them off as per the guidelines of Ministry of Power, through the bid process prescribed by Ministry of Power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investments (along with the related assets and liabilities) have been classified as 'held for sale'.

**21 Trade Payables****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
	<b>Trade Payables</b>		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.15	2.65
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	53.07	72.26
	<b>Total Trade Payables</b>	<b>53.22</b>	<b>74.91</b>

## 22 Debt Securities

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Bonds / Debenture		
	- Infrastructure Bonds (Refer Note 22.1)	295.09	370.06
	- Tax Free Bonds (Refer Note 22.2)	24,878.08	24,853.08
	- 54 EC Capital Gain Tax Exemption Bonds (Refer Note 22.3)	23,894.68	23,941.98
	- Taxable Bonds (Refer Note 22.4)	3,26,415.29	2,98,307.82
	- Foreign Currency Notes (Refer Note 22.5)	50,508.56	21,095.29
(ii)	Commercial Paper (Refer Note 22.6)	2,925.00	17,690.92
(iii)	Interest accrued but not due on above	13,687.09	12,648.16
(iv)	Unamortised Transaction Cost on above	(1,238.08)	(1,277.35)
(v)	Bond Application Money (Refer Note 22.7)	400.19	722.04
	<b>Total Debt Securities</b>	<b>4,41,765.90</b>	<b>3,98,352.00</b>
	<b>Geography wise Debt Securities</b>		
(i)	Debt Securities in India	3,91,726.07	3,77,818.26
(ii)	Debt Securities outside India	50,039.83	20,533.74
	<b>Total Geography wise Debt Securities</b>	<b>4,41,765.90</b>	<b>3,98,352.00</b>



**22.1 Details of Infrastructure Bonds outstanding are as follows:**

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC</b>						
1	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
7	Infra Bonds Private Placement Series I	8.43%	7.39	7.39	30.03.2022	Redeemable at par on a date falling ten years from the date of allotment
8	Infra Bonds Private Placement Series II	8.43%	15.47	15.47	30.03.2022	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
9	Infrastructure Bonds (2011-12) - Series I	8.50%	21.85	21.85	21.11.2021	Redeemable at par on a date falling ten years from the date of allotment
10	Infrastructure Bonds (2011-12) - Series II	8.50%	36.34	36.34	21.11.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
11	Infrastructure Bonds (2010-11) - Series I	8.30%	49.96	49.96	31.03.2021	Redeemable at par on a date falling ten years from the date of allotment
12	Infrastructure Bonds (2010-11) - Series II	8.30%	109.12	109.12	31.03.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
<b>Sub - Total (A)</b>			<b>278.63</b>	<b>278.63</b>		
<b>In case of PFC's Subsidiary REC Ltd.</b>						
1	Series-II (2011-12) Cumulative	9.15%	2.83	2.83	15.02.2027	Redeemable on the date falling 15 years from the date of allotment
2	Series-II (2011-12) Annual	9.15%	1.13	1.13	15.02.2027	
3	Series-II (2011-12) Cumulative	8.95%	5.73	5.73	15.02.2022	Redeemable on the date falling 10 years from the date of allotment
4	Series-II (2011-12) Annual	8.95%	1.38	1.38	15.02.2022	
5	Series-I (2010-11)	8.10%	1.61	1.61	31.03.2021	Redeemable on the date falling 10 years from the date of allotment
6	Series-I (2010-11)	8.20%	3.78	3.79	31.03.2021	
7	Series-I (2010-11)	8.00%	-	16.92	Repaid in FY 2019-20	Redeemable on the date falling 10 years from the date of allotment with buyback option by bondholders after 5/6/7/8/9 years
8	Series-I (2010-11)	8.20%	-	58.04		
<b>Sub - Total (B)</b>			<b>16.46</b>	<b>91.43</b>		
<b>Total (A+B)</b>			<b>295.09</b>	<b>370.06</b>		

**22.2 Details of Tax Free Bonds outstanding are as follows:**

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC</b>						
1	7.35 Tax Free Bonds 3 A 2015	7.35%	213.57	213.57	17.10.2035	Redeemable at par on maturity
2	7.60 Tax Free Bonds 3 B 2015	7.60%	155.48	155.48	17.10.2035	
3	Tax Free Bonds 8.67 Bps Series	8.67%	1,067.38	1,067.38	16.11.2033	
4	Tax Free Bonds 8.92 Bps Series	8.92%	861.96	861.96	16.11.2033	
5	7.27 Tax Free Bonds 2 A 2015	7.27%	131.33	131.33	17.10.2030	
6	7.52 Tax Free Bonds 2 B 2015	7.52%	45.18	45.18	17.10.2030	
7	Tax Free Bonds 8.54 Bps Series	8.54%	932.70	932.70	16.11.2028	
8	Tax Free Bonds 8.79 Bps Series	8.79%	353.32	353.32	16.11.2028	
9	8.46 Tax Free Bond Series 107	8.46%	1,011.10	1,011.10	30.08.2028	
10	7.04% TR-2 Tax Free Bonds 12-	7.04%	10.25	8.89	28.03.2028	
11	7.54% TR 2 Tax Free Bonds 12-	7.54%	58.96	60.32	28.03.2028	

12	7.36% 15Years Tax Free Bonds 2012-13 TR-I Series-2	7.36%	162.72	159.81	04.01.2028	Redeemable at par on maturity	
13	7.86% 15Years Tax Free Bonds 2012-13 TR-I Series-2	7.86%	194.28	197.19	04.01.2028		
14	Tax Free Bonds Series 95 B	7.38%	100.00	100.00	29.11.2027		
15	Tax Free Bond Series 94B	7.38%	25.00	25.00	22.11.2027		
16	8.30% Public Issue Of Tax Free Bonds FY 11-12	8.30%	1,280.58	1,280.58	01.02.2027		
17	8.16% Tax Free Bond Series 80-	8.16%	209.34	209.34	25.11.2026		
18	7.75% Tax Free Bond Series 79-	7.75%	217.99	217.99	15.10.2026		
19	7.11 Tax Free Bonds 1 A 2015	7.11%	75.09	75.09	17.10.2025		
20	7.36 Taxfree Bonds 1B 2015-16	7.36%	79.35	79.35	17.10.2025		
21	7.16 Tf Sec Bnd Srs 136	7.16%	300.00	300.00	17.07.2025		
22	Tax Free Bonds 8 18 Bps Series	8.18%	325.07	325.07	16.11.2023		
23	Tax Free Bonds 8 43 Bps Series	8.43%	335.47	335.47	16.11.2023		
24	8.01 Tax Free Bond Series 107	8.01%	113.00	113.00	30.08.2023		
25	6.88% TR-2 Tax Free Bonds 12-	6.88%	52.90	52.38	28.03.2023		
26	7.38% TR-2 Tax Free Bonds 12-	7.38%	43.25	43.77	28.03.2023		
27	7.19% 10Years Tax Free Bonds 12-13 TR -I Series 1	7.19%	197.09	193.40	04.01.2023		
28	7.69% 10Years Tax Free Bonds 2012-13 TR-I Series-1	7.69%	145.66	149.35	04.01.2023		
29	Tax Free Bonds Series 95 A	7.22%	30.00	30.00	29.11.2022		
30	Tax Free Bond Series 94 A	7.21%	255.00	255.00	22.11.2022		
31	8.20% Public Issue Of Tax Free Bonds FY 11-12	8.20%	2,752.55	2,752.55	01.02.2022		
32	8.09% Tax Free Bond Series 80-	8.09%	334.31	334.31	25.11.2021		
33	7.51% Tax Free Bonds Series 79-	7.51%	205.23	205.23	15.10.2021		
	<b>Sub - Total (A)</b>		<b>12,275.11</b>	<b>12,275.11</b>			
<b>In case of PFC's Subsidiary REC Ltd.</b>							
1	Series 2015-16 Tranche-1	6.89% to 7.43%	696.56	696.56	Redeemable at par. Bonds amounting to ₹ 105.93 crore are redeemable on 05.11.2025, ₹ 172.90 crore are redeemable on 05.11.2030 and ₹ 417.73 crore are redeemable on 05.11.2035 with interest rates varying from 6.89% to 7.43% payable annually		
2	Series 2015-16 Series 5A	7.17%	300.00	300.00	7.17% Redeemable at par on 23.07.2025		
3	Series 2013-14 Tranche-2	8.19% to 8.88%	1,057.40	1,057.40	Redeemable at par. Bonds amounting to ₹ 419.32 crore are redeemable on 22.03.2024, ₹ 528.42 crore are redeemable on 23.03.2029 and ₹ 109.66 crore are redeemable on 24.03.2034 with interest rates varying from 8.19% to 8.88% payable annually		
4	Series 2013-14 Tranche-1	8.01% to 8.71%	3,410.60	3,410.60	Redeemable at par. Bonds amounting to ₹ 575.06 crore are redeemable on 25.09.2023, ₹ 2,780.26 crore are redeemable on 25.09.2028 and ₹ 55.28 crore are redeemable on 26.09.2033 with interest rates varying from 8.01% to 8.71% payable annually		
5	Series 2013-14 Series 4A & 4B	8.18% to 8.54%	150.00	150.00	Redeemable at par. Bonds amounting to ₹ 105.00 crore are redeemable on 11.10.2023 and ₹ 45.00 crore are redeemable on 11.10.2028 with interest rates varying from 8.18% to 8.54% payable annually		
6	Series 2013-14 Series 3A & 3B	8.01% to 8.46%	1,350.00	1,350.00	Redeemable at par. Bonds amounting to ₹ 209.00 crore are redeemable on 29.08.2023 and ₹ 1,141.00 crore are redeemable on 29.08.2028 with interest rates varying from 8.01% to 8.46% payable annually		
7	Series 2012-13 Tranche-2	6.88% to 7.54%	131.06	131.06	Redeemable at par. Bonds amounting to ₹ 81.35 crore are redeemable on 27.03.2023 and bonds amounting to ₹ 49.71 crore are redeemable on 27.03.2028 with interest rates varying from 6.88% to 7.54% payable annually		
8	Series 2012-13 Tranche-1	7.22% to 7.88%	2,007.35	1,982.35	Redeemable at par. Bonds amounting to ₹ 1,165.31 crore are redeemable on 19.12.2022 and bonds amounting to ₹ 842.04 crore are redeemable on 20.12.2027 with interest rates varying from 7.22% to 7.88% payable annually		
9	Series 2012-13 Series 2A & 2B	7.21% to 7.38%	500.00	500.00	Redeemable at par. Bonds amounting to ₹ 255.00 crore are redeemable on 21.11.2022 and bonds amounting to ₹ 245.00 crore are redeemable on 22.11.2027 with interest rates of 7.21% and 7.38% respectively payable annually		
10	Series 2011-12	7.93% to 8.32%	3,000.00	3,000.00	Redeemable at par. Bonds amounting to ₹ 839.67 crore are redeemable on 28.03.2022 and bonds amounting to ₹ 2,160.33 crore are redeemable on 29.03.2027 with interest rates varying from 7.93% to 8.32% payable annually		
	<b>Sub - Total (B)</b>		<b>12,602.97</b>	<b>12,577.97</b>			
	<b>Total (A+B)</b>		<b>24,878.08</b>	<b>24,853.08</b>			

22.3 Details of 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Redemption details
			31.03.2020	31.03.2019	
<b>In case of PFC</b>					
1	Series III (FY 2019-20)	5.75%	1,134.44	-	Redeemable at par during FY 2024-25
2	Series II (FY 2018-19)	5.75%	491.95	491.95	Redeemable at par during FY 2023-24
3	Series I (FY 2017-18)	5.25%	292.15	292.15	Redeemable at par during FY 2020-21
<b>Sub - Total (A)</b>			<b>1,918.54</b>	<b>784.10</b>	
<b>In case of PFC's Subsidiary REC Ltd.</b>					
1	Series XIII (FY 2019-20)	5.75%	5,759.14	-	Redeemable at par during FY 2024-25
2	Series XII (FY 2018-19)	5.75%	6,651.77	5,929.73	Redeemable at par during FY 2023-24
3	Series XI (FY 2017-18)	5.25%	9,565.23	9,565.23	Redeemable at par during FY 2020-21
4	Series X (FY 2016-17)	5.25%	-	7,662.92	Repaid in FY 2019-20
<b>Sub - Total (B)</b>			<b>21,976.14</b>	<b>23,157.88</b>	
<b>Total (A+B)</b>			<b>23,894.68</b>	<b>23,941.98</b>	

22.4 The details of Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC</b>						
1	Series 190	8.25%	4,016.00	-	06.09.2034	Redeemable at par on maturity
2	Series 189	8.15%	4,035.00	-	08.08.2034	
3	Series 186	8.79%	2,578.90	-	30.04.2034	
4	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
5	Series 179-B	8.64%	528.40	528.40	19.11.2033	
6	Series 71	9.05%	192.70	192.70	15.12.2030	
7	Series 66-C	8.85%	633.00	633.00	15.06.2030	
8	Series 197	7.41%	5,000.00	-	15.05.2030	
9	Series 195	7.86%	1,100.00	-	12.04.2030	
10	Series 196	7.41%	2,500.00	-	25.02.2030	
11	Series 193	7.93%	4,710.50	-	31.12.2029	
12	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
13	Series 187 B	8.85%	1,982.10	-	27.05.2029	
14	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
15	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
16	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	

17	Series 103	8.94%	2,807.00	2,807.00	25.03.2028
18	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028
19	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028
20	Series 172	7.74%	850.00	850.00	29.01.2028
21	Series 171	7.62%	5,000.00	5,000.00	15.12.2027
22	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027
23	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027
24	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027
25	Series 155	7.23%	2,635.00	2,635.00	05.01.2027
26	Series 152	7.55%	4,000.00	4,000.00	25.09.2026
27	Series 151-B	7.56%	210.00	210.00	16.09.2026
28	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026
29	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026
30	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026
31	Series 147	8.03%	1,000.00	1,000.00	02.05.2026
32	Series 71	9.05%	192.70	192.70	15.12.2025
33	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025
34	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025
35	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025
36	Series 130-C	8.39%	925.00	925.00	19.04.2025
37	Series 64	8.95%	492.00	492.00	30.03.2025
38	Series 131-C	8.41%	5,000.00	5,000.00	27.03.2025
39	Series 63-III	8.90%	184.00	184.00	15.03.2025
40	Series 128	8.20%	1,600.00	1,600.00	10.03.2025
41	Series 62-B	8.80%	1,172.60	1,172.60	15.01.2025
42	Series 126	8.65%	5,000.00	5,000.00	04.01.2025
43	Series 125	8.65%	2,826.00	2,826.00	28.12.2024
44	Series 61	8.50%	351.00	351.00	15.12.2024
45	Series 124 C	8.48%	1,000.00	1,000.00	09.12.2024
46	Series 192	7.42%	3,000.00	-	19.11.2024
47	Series 120 Option A	8.98%	961.00	961.00	08.10.2024
48	Series Option 120 B	8.98%	950.00	950.00	08.10.2024
49	Series 118 Option B II	9.39%	460.00	460.00	27.08.2024
50	Series 117 Option B	9.37%	855.00	855.00	19.08.2024
51	Series 57-C	8.60%	866.50	866.50	07.08.2024
52	Series 188	8.10%	691.10	-	04.06.2024
53	Series 85 D	9.26%	736.00	736.00	15.04.2023
54	Series 194	7.04%	1,400.00	-	14.04.2023
55	Series 102 A (II)	8.90%	403.00	403.00	18.03.2023
56	Series 100 B	8.84%	1,310.00	1,310.00	04.03.2023
57	Zero Coupon Unsecured Taxable Bonds 2022-XIX Series	-	605.94	560.45	30.12.2022
58	Series 176-B	7.99%	1,295.00	1,295.00	20.12.2022
59	Series 170-A	7.35%	800.00	800.00	22.11.2022
60	Series 191	7.35%	3,735.00	-	15.10.2022
61	Series 92 C	9.29%	640.00	640.00	21.08.2022
62	Series 181	8.45%	2,155.00	2,155.00	11.08.2022
63	Series 169-A	7.10%	3,395.00	3,395.00	08.08.2022
64	Series 168-A	7.28%	1,950.00	1,950.00	12.06.2022
65	Series 187 A	8.20%	1,605.00	-	27.05.2022
66	Series 88 C	9.48%	184.70	184.70	15.04.2022
67	Series 183	8.18%	3,751.20	3,751.20	19.03.2022
68	Series 154	7.27%	1,101.00	1,101.00	22.12.2021
69	Series 124 B	8.55%	1,200.00	1,200.00	09.12.2021
70	Series 123 C	8.66%	200.00	200.00	27.11.2021
71	Series 153	7.40%	1,830.00	1,830.00	30.09.2021
72	Series 151-A	7.47%	2,260.00	2,260.00	16.09.2021
73	Series 150-A	7.50%	2,660.00	2,660.00	16.08.2021
74	Series - 76-A	9.36%	2,589.40	2,589.40	01.08.2021
75	Series 115 III	9.20%	700.00	700.00	07.07.2021
76	Series 75-C	9.61%	2,084.70	2,084.70	29.06.2021
77	Series 74	9.70%	1,693.20	1,693.20	09.06.2021
78	Series 28	8.85%	600.00	600.00	31.05.2021
79	Series 146	8.05%	300.00	300.00	27.04.2021
80	Series 73	9.18%	1,000.00	1,000.00	15.04.2021
81	Series 175	7.75%	600.00	600.00	15.04.2021
82	Series 173-B	7.73%	1,325.00	1,325.00	05.04.2021
83	Series 173-A	7.73%	505.00	505.00	12.03.2021
84	Series 112-C	9.70%	270.00	270.00	31.01.2021
85	Series 72-B	8.99%	1,219.00	1,219.00	15.01.2021
86	Series 71	9.05%	192.70	192.70	15.12.2020
87	Series 70	8.78%	1,549.00	1,549.00	15.11.2020
88	Series 141-A	8.46%	1,000.00	1,000.00	18.09.2020
89	Series 163	7.50%	2,435.00	2,435.00	17.09.2020

Redeemable at par on maturity

90	Series 182	8.20%	3,500.00	3,500.00	14.09.2020	Redeemable at par on maturity
91	Series 140-B	8.36%	1,250.00	1,250.00	04.09.2020	
92	Series 138	8.45%	1,000.00	1,000.00	10.08.2020	
93	Series 137	8.53%	2,700.00	2,700.00	24.07.2020	
94	Series 68-B	8.70%	1,424.00	1,424.00	15.07.2020	
95	Series 167	7.30%	1,560.00	1,560.00	30.06.2020	
96	Series 165	7.42%	3,605.00	3,605.00	26.06.2020	
97	Series 66-A	8.65%	500.00	500.00	15.06.2020	
98	Series 166	7.46%	1,180.00	1,180.00	05.06.2020	
99	Series 149	8.04%	100.00	100.00	30.05.2020	
100	Series 159	7.05%	2,551.00	2,551.00	15.05.2020	
101	Series 65-II	8.70%	1,337.50	1,337.50	14.05.2020	
102	Series 131-B	8.38%	1,350.00	1,350.00	27.04.2020	
103	Series 130-B	8.42%	200.00	200.00	18.04.2020	
104	Series 85 C	9.30%	79.50	79.50	15.04.2020	
105	Series 157	6.83%	2,000.00	2,000.00	15.04.2020	
106	Series 102 B	8.87%	-	70.00	Repaid in FY 2019-20	Redeemed at par on respective maturity / call option exercise dates
107	Series 91 B	9.39%	-	2,695.20		
108	Series 64	8.95%	-	492.00		
109	Series 87 D	9.42%	-	650.80		
110	Series 63-II	8.90%	-	184.00		
111	Series 100 A	8.86%	-	54.30		
112	Series 127	8.36%	-	4,440.00		
113	Series 99 B	8.82%	-	733.00		
114	Series 112-B	9.70%	-	270.00		
115	Series 176-A	7.53%	-	1,500.00		
116	Series 62-A	8.70%	-	845.40		
117	Series 61	8.50%	-	351.00		
118	Series 124 A	8.52%	-	1,220.00		
119	Series 123 B	8.65%	-	836.00		
120	Series 60-B	FBIL G-Sec par yield+179 bps (floating rate)	-	925.00		
121	Series 122	8.76%	-	1,000.00		
122	Series 121 B	8.96%	-	1,100.00		
123	Series 59-B	8.80%	-	1,216.60		
124	Series 119 Option B	9.32%	-	1,591.00		
125	Series 118 Option B I	9.39%	-	460.00		
126	Series 57-B	8.60%	-	866.50		
127	Series 115 II	9.15%	-	100.00		
128	Series 135-B	8.50%	-	1,500.00		
129	Series 174	7.80%	-	3,300.00		
130	Series 148	7.95%	-	1,915.00		
131	Series 145	7.85%	-	2,928.00		
<b>Sub - Total (A)</b>			<b>1,72,930.24</b>	<b>1,67,774.95</b>		

In case of PFC's Subsidiary REC Ltd.					
1	Series 183	8.29%	3,028.00	-	16.09.2034
2	Series 182	8.18%	5,063.00	-	22.08.2034
3	Series 189	7.92%	3,054.90	-	31.03.2030
4	Series 188	7.89%	1,100.00	-	31.03.2030
5	Series 192	7.50%	2,382.00	-	28.02.2030
6	Series 184 A	8.25%	290.20	-	26.09.2029
7	Series 180 B	8.30%	2,070.90	-	25.06.2029
8	Series 178	8.80%	1,097.00	-	14.05.2029
9	Series 176	8.85%	1,600.70	-	16.04.2029
10	Series 169	8.37%	2,554.00	2,554.00	07.12.2028
11	Series 168	8.56%	2,552.40	2,552.40	29.11.2028
12	Series 163	8.63%	2,500.00	2,500.00	25.08.2028
13	Series 162	8.55%	2,500.00	2,500.00	09.08.2028
14	Series 156	7.70%	3,533.00	3,533.00	10.12.2027
15	Series 147	7.95%	2,745.00	2,745.00	12.03.2027
16	Series 142	7.54%	3,000.00	3,000.00	30.12.2026
17	Series 140	7.52%	2,100.00	2,100.00	07.11.2026
18	Series 136	8.11%	2,585.00	2,585.00	07.10.2025
19	Series 95-II	8.75%	1,800.00	1,800.00	14.07.2025
20	Series 94	8.75%	1,250.00	1,250.00	09.06.2025
21	Series 133	8.30%	2,396.00	2,396.00	10.04.2025
22	Series 190A	6.88%	2,500.00	-	20.03.2025
23	Series 131	8.35%	2,285.00	2,285.00	21.02.2025
24	Series 130	8.27%	2,325.00	2,325.00	06.02.2025
25	Series 129	8.23%	1,925.00	1,925.00	23.01.2025
26	Series 128	8.57%	2,250.00	2,250.00	21.12.2024
27	Series 186 B	7.40%	1,500.00	-	26.11.2024
28	Series 191 B	6.99%	1,100.00	-	30.09.2024
29	Series 123 III B	9.34%	1,955.00	1,955.00	23.08.2024
30	Series 180 A	8.10%	1,018.00	-	25.06.2024
31	Series 184 B STRP-D	7.55%	298.00	-	26.09.2023
32	Series 191 A	6.80%	1,100.00	-	30.06.2023
33	Series 114	8.82%	4,300.00	4,300.00	12.04.2023
34	Series 188 A	7.12%	1,400.00	-	31.03.2023
35	Series 159	7.99%	950.00	950.00	23.02.2023
36	Series 187	7.24%	2,090.00	-	31.12.2022
37	Series 185	7.09%	2,759.00	-	13.12.2022
38	Series 155	7.45%	1,912.00	1,912.00	30.11.2022
39	Series 111-II	9.02%	2,211.20	2,211.20	19.11.2022
40	Series 152	7.09%	1,225.00	1,225.00	17.10.2022
41	Series 184 B STRP-C	7.55%	300.00	-	26.09.2022
42	Series 150	7.03%	2,670.00	2,670.00	07.09.2022
43	Series 186 A	6.90%	2,500.00	-	30.06.2022
44	Series 107	9.35%	2,378.20	2,378.20	15.06.2022
45	Series 179	8.15%	1,000.00	-	10.06.2022
46	Series 167	8.45%	2,571.80	2,571.80	22.03.2022
47	Series 173	8.35%	2,500.00	2,500.00	11.03.2022
48	Series 132	8.27%	700.00	700.00	09.03.2022
49	Series 145	7.46%	625.00	625.00	28.02.2022
50	Series 165	8.83%	2,171.00	2,171.00	21.01.2022
51	Series 193	6.99%	1,115.00	-	31.12.2021
52	Series 190 B	6.32%	2,489.40	-	31.12.2021
53	Series 177	8.50%	1,245.00	-	20.12.2021
54	Series 141	7.14%	1,020.00	1,020.00	09.12.2021
55	Series 127	8.44%	1,550.00	1,550.00	04.12.2021
56	Series 105	9.75%	3,922.20	3,922.20	11.11.2021
57	Series 139	7.24%	2,500.00	2,500.00	21.10.2021
58	Series 184 B STRP-B	7.55%	300.00	-	26.09.2021
59	Series 101-III	9.48%	3,171.80	3,171.80	10.08.2021
60	Series 123 I	9.40%	1,515.00	1,515.00	17.07.2021
61	Series 100	9.63%	1,500.00	1,500.00	15.07.2021
62	Series 174	8.15%	2,720.00	2,720.00	18.06.2021
63	Series 161-B	7.73%	800.00	800.00	15.06.2021
64	Series 154	7.18%	600.00	600.00	21.05.2021
65	Series 157	7.60%	1,055.00	1,055.00	17.04.2021
66	Series 158	7.70%	2,465.00	2,465.00	15.03.2021
67	Series 98	9.18%	3,000.00	3,000.00	15.03.2021
68	ZCB Series II	-	250.29	230.11	03.02.2021
69	Series 153	6.99%	2,850.00	2,850.00	31.12.2020
70	ZCB Series I	-	1,114.56	1,029.46	15.12.2020
71	Series 97	8.80%	2,120.50	2,120.50	30.11.2020
72	Series 96	8.80%	1,150.00	1,150.00	26.10.2020
73	Series 184 B STRP-A	7.55%	300.00	-	26.09.2020
74	Series 149	6.87%	2,485.00	2,485.00	24.09.2020
75	Series 135	8.36%	2,750.00	2,750.00	22.09.2020
76	Series 144	7.13%	835.00	835.00	21.09.2020
77	Series 172	8.57%	1,790.00	1,790.00	20.08.2020
78	Series 134	8.37%	2,675.00	2,675.00	14.08.2020
79	Series 143	6.83%	1,275.00	1,275.00	29.06.2020
80	Series 148	7.42%	1,200.00	1,200.00	17.06.2020

Redeemable at par on maturity

81	Series 161-A	7.59%	-	3,000.00	Repaid in FY 2019-20	Redeemed at par on respective maturity / call option exercise dates
82	Series 113	8.87%	-	1,542.00		
83	Series 111-I	9.02%	-	452.80		
84	Series 126	8.56%	-	1,700.00		
85	Series 125	9.04%	-	3,000.00		
86	Series 160	7.77%	-	1,450.00		
87	Series 108-II	9.39%	-	960.00		
88	Series 95-I	8.70%	-	200.00		
89	Series 92 II	8.65%	-	945.30		
90	Series 91 II	8.80%	-	995.90		
91	Series 90 C II	8.80%	-	1,040.00		
92	Series 90 B II	8.72%	-	868.20		
93	Series 90	8.80%	-	2,000.00		
94	Series 122	9.02%	-	1,700.00		
<b>Sub - Total (B)</b>			<b>1,53,485.05</b>	<b>1,30,532.87</b>		
<b>Total (A+B)</b>			<b>3,26,415.29</b>	<b>2,98,307.82</b>		

22.5 The details of Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC</b>						
1	3.95% USD Bonds 2030	3.95%	5,653.94	-	23.04.2030	Redeemable at par on maturity
2	3.90% USD Bonds 2029	3.90%	3,392.36	-	16.09.2029	
3	4.50% USD Bonds 2029	4.50%	4,523.15	-	18.06.2029	
4	6.15% USD Bonds 2028	6.15%	3,769.29	3,457.75	06.12.2028	
5	5.25% USD Bonds 2028	5.25%	2,261.58	2,074.65	10.08.2028	
6	3.75% USD Green Bonds 2027	3.75%	3,015.44	2,766.20	06.12.2027	
7	3.25% USD Bonds 2024	3.25%	2,261.58	-	16.09.2024	
8	3.75% USD Bonds 2024	3.75%	3,015.44	-	18.06.2024	
<b>Sub - Total (A)</b>			<b>27,892.78</b>	<b>8,298.60</b>		
<b>In case of PFC's Subsidiary REC Ltd.</b>						
1	4.625% US \$300 Mn Bonds	4.625%	2,261.58	2,075.14	22.03.2028	Redeemable at par on maturity
2	3.875% US \$450 Mn Green	3.875%	3,392.37	3,112.71	07.07.2027	
3	3.50% US \$500 Mn Bonds	3.500%	3,769.30	-	12.12.2024	
4	3.375% US \$650 Mn Bonds	3.375%	4,900.08	-	25.07.2024	
5	4.625% US \$700 Mn Bonds	4.625%	5,277.01	4,841.99	13.11.2023	
6	3.068% US \$400 Mn Bonds	3.068%	3,015.44	2,766.85	18.12.2020	
<b>Sub - Total (B)</b>			<b>22,615.78</b>	<b>12,796.69</b>		
<b>Total (A+B)</b>			<b>50,508.56</b>	<b>21,095.29</b>		

22.6 The details of Commercial Papers outstanding are as follows:

Sr. No.	Commercial Paper Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore)		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC</b>						
1	CP - 108	7.85%	-	3,000.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
2	CP - 109	7.39%	-	1,500.00		
3	CP - 106	7.15%	-	3,000.00		
4	CP - 105	7.44%	-	2,500.00		
Less: Unamortised Financial Charges			-	(284.08)		
<b>Sub - Total (A)</b>			<b>-</b>	<b>9,715.92</b>		
<b>In case of PFC's Subsidiary REC Ltd.</b>						
1	63rd Series	7.90%	675.00	-	19.06.2020	Redeemable at par on maturity
2	64th Series	5.48%	2,250.00	-	15.06.2020	
3	57th Series	8.04%	-	2,750.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
4	58th Series	7.60%	-	1,875.00		
5	59th Series	7.72%	-	2,350.00		
6	60th Series	7.90%	-	1,000.00		
<b>Sub - Total (B)</b>			<b>2,925.00</b>	<b>7,975.00</b>		
<b>Total (A+B)</b>			<b>2,925.00</b>	<b>17,690.92</b>		

22.7 The details of Bond Application Money outstanding are as follows:

Sr. No.	Particulars	Coupon Rate (p.a.)	Principal Amount (₹ in crore)		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
<b>In case of PFC's Subsidiary REC Ltd.</b>						
1	54EC Capital Gain Tax Exemption Bonds	5.75%	400.19	722.04	Redeemable at par after 5 years from the deemed date of allotment	
<b>Total</b>			<b>400.19</b>	<b>722.04</b>		

**In case of PFC details of security are as under**

- 22.8** The following bond series are secured by first pari-passu charge on present and future receivables (excluding those receivables which are specifically charged for infra bonds issue during the FY 2010-11) along with first pari-passu charge on immovable property situated at Guindy, Chennai.
- (a) 7.51% Tax Free Bond Series 79-A
  - (b) 7.75% Tax Free Bond Series 79-B
  - (c) 8.09% Tax Free Bond Series 80-A
  - (d) 8.16% Tax Free Bond Series 80-B
  - (e) 7.21% Tax Free Bond Series 94- A
  - (f) 7.38% Tax Free Bond Series 94-B
  - (g) 7.22% Tax Free Bond Series 95-A
  - (h) 7.38% Tax Free Bond Series 95-B
  - (i) 8.43% Infra Bonds Private Placement Series I
  - (j) 8.43% Infra Bonds Private Placement Series II
  - (k) 8.72% Infrastructure Bonds Series 86C
  - (l) 8.72% Infrastructure Bonds Series 86D
  - (m) 8.50% 10 years Infrastructure Series Bonds (2011-12) Series-I
  - (n) 8.50% 10 years Infrastructure Series Bonds (2011-12) Series-II
  - (o) 8.75% 15 years Infrastructure Series Bonds (2011-12) Series-III
  - (p) 8.75% 15 years Infrastructure Series Bonds (2011-12) Series-IV
  - (q) 8.20% Tax Free Bonds (2011-12) Tranche-I Series-I
  - (r) 8.30% Tax Free Bonds (2011-12) Tranche-I Series-II
  - (s) 7.19% Tax Free Bonds (2012-13) Tranche-I Series-I
  - (t) 7.69% Tax Free Bonds (2012-13) Tranche-I Series-I
  - (u) 7.36% Tax Free Bonds (2012-13) Tranche-I Series-II
  - (v) 7.86% Tax Free Bonds (2012-13) Tranche-I Series-II
- 22.9** Infrastructure Bonds (2010-11) Series I, II, III and IV are secured by charge on specific book debt of ₹ 1153.06 crore as on 31.03.2020 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
- 22.10** 54 EC Capital Gain Tax Exemption Bonds Series I, II & III, Taxable Bond Series 112-C and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company (excluding the receivables/book debts on which a specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.

**In case of PFC's Subsidiary REC Ltd. details of security are as under**

- 22.11** For all the secured bonds issued by the Company and outstanding as at balance sheet date, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.
- 22.12** The Bond Series 123-I and 123-IIIB of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favour of IDBI Trusteeship Services Ltd.
- 22.13** Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of receivables of ₹ 4,998.66 crore of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).
- 22.14** Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the book debts (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.
- 22.15** The Bond Series XI, XII and XIII of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.
- 22.16** Refer Note 12 and 17 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.



**23 Borrowings (other than Debt Securities)**

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

(₹ in crore)			
Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans (Refer Note 23.1)	8,924.03	9,701.51
	- Syndicated Foreign Currency Loans (Refer Note 23.2)	39,619.89	32,787.57
	- Rupee Term Loans (Refer Note 23.4)	69,498.76	58,453.55
(ii)	From other Parties		
	- Rupee Term Loans - GoI (Refer Note 23.6)	17,500.00	12,500.00
(B)	Other Loans		
(i)	Loan against Term Deposits (Refer Note 23.7)	-	12,737.18
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer Note 23.8)	4,793.22	620.00
(iii)	Finance Lease Obligation	2.12	0.11
(C)	Interest accrued but not due on above	767.95	610.03
(D)	Unamortised Transaction Cost on above	(439.25)	(402.72)
	<b>Total Borrowings (other than Debt Securities)</b>	<b>1,40,666.72</b>	<b>1,27,007.23</b>
(II)	<b>Geography wise Borrowings</b>		
(i)	Borrowings in India	99,419.41	89,111.58
(ii)	Borrowings outside India	41,247.31	37,895.49
	<b>Total Geography wise Borrowings</b>	<b>1,40,666.72</b>	<b>1,27,007.07</b>

23.1 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	KFW I (Guaranteed by the Government of India)	48.26	48.05	Semi Annual Instalments Till 30.12.2035	Redeemable in semi annual instalments
2	ADB (Guaranteed by the Government of India)	79.46	82.80	Semi Annual Instalments Till 15.10.2028	
3	Credit National (Guaranteed by the Government of India)	44.66	50.24	Semi Annual Instalments Till 30.06.2028	
4	SBI FCNR(B)	-	1,728.88	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
5	ICICI Bank FCNR(B) - IV	-	691.55		
6	ICICI Bank FCNR(B) - III	-	691.55		
7	ICICI Bank FCNR(B) - II	-	691.55		
8	ICICI Bank FCNR(B)	-	691.55		
<b>Sub - Total (A)</b>		<b>172.38</b>	<b>4,676.17</b>		
<b>In case of PFC's Subsidiary REC Ltd.</b>					
1	JICA Loan	99.46	131.40	0.75% JICA-I loan repayable in half-yearly instalments till 20.03.2021, next instalment falling due on 20.09.2020 and 0.65% JICA-II loan repayable in half-yearly instalments till 20.03.2023, next instalment falling due on 20.09.2020	
2	2.89 KfW-II Loan	64.60	120.87	Repayable in equal half-yearly instalments of €3.88 Mn till 30.12.2020, next instalment falling due on 30.06.2020	
3	1.86 KfW-III Loan	393.41	449.87	Repayable in equal half-yearly instalments of €5.26 Mn till 30.03.2024, next instalment falling due on 30.06.2020	
4	6M USD Libor + 0.13% KfW-IV Loan	1,220.98	-	Repayable in equal half-yearly instalments till 15.11.2030 of €12.00 Mn, first instalment falling due on 15.11.2021	
5	US \$135 Mn	1,017.71	933.81	\$60 Mn repayable on 04.09.2021 and \$75 Mn repayable on 22.10.2021	
6	US\$100 Mn	753.86	-	\$25 Mn repayable on 30.9.2020 and \$75 Mn repayable on 22.01.2021	
7	US\$140 Mn	1,055.40		13.01.2021	Redeemable at par on maturity
8	US\$100 Mn	753.86		21.12.2020	
9	US\$100 Mn	753.86		03.12.2020	
10	US\$200 Mn	1,507.72		21.09.2020	
11	US\$150 Mn	1,130.79		Repayable in two equal instalment on 20.05.2020 and	
12	US\$140 Mn	-	1,037.57	Repaid in FY 2019-20	Redeemed at par on maturity date
13	US\$100 Mn	-	691.71		
14	US\$100 Mn	-	691.71		
15	US\$150 Mn	-	968.40		
<b>Sub - Total (B)</b>		<b>8,751.65</b>	<b>5,025.34</b>		
<b>Total (A+B)</b>		<b>8,924.03</b>	<b>9,701.51</b>		

23.2 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	SLN 29	1,884.65	-	20.12.2024	Bullet Repayment at the end of the tenor
2	SLN 27	1,143.01	1,024.32	01.02.2024	
3	SLN 26	1,884.65	1,728.88	26.09.2023	
4	SLN 23	1,884.65	1,728.88	22.03.2023	
5	SLN 22	1,884.65	1,728.88	28.02.2023	
6	SLN 21	2,261.57	2,074.65	12.12.2022	
7	SLN 28 USD	1,884.65	-	28.06.2022	
8	SLN 28 JPY	373.97	-	28.06.2022	
9	SLN 17	3,392.36	3,111.98	3 Equal Instalments (28.09.2020, 26.03.2021 and 24.09.2021)	Redeemable in three equal instalments
10	SLN 18	3,041.47	2,725.65	3 Equal Instalments (06.11.2020, 08.11.2021 and 04.11.2022)	Redeemable in three equal instalments
11	SLN 16	-	1,728.88	Repaid in FY 2019-20	Redeemed at par on maturity date
<b>Sub - Total (A)</b>		<b>19,635.63</b>	<b>15,852.09</b>		

In case of PFC's Subsidiary REC Ltd.					
1	US \$75 Mn	565.39	-	30.03.2025	Bullet Repayment at the end of the tenor
2	US \$72.07 Mn	380.80	-	30.03.2025	
3	US \$100 Mn	753.86	-	01.07.2024	
4	US \$150 Mn	1,130.79	518.78	29.03.2024	
5	US \$250 Mn	1,884.65	1,729.28	27.03.2024	
6	¥ 10,327.12 Mn	719.28	645.65	31.08.2023	
7	US \$250 Mn	1,884.65	1,729.28	08.08.2023	
8	US \$150 Mn	1,130.79	-	12.09.2022	
9	US \$200 Mn	1,507.72	1,383.43	28.07.2022	
10	US \$230 Mn	1,733.88	1,590.94	19.01.2022	
11	US \$100 Mn	753.86	691.71	05.10.2021	
12	US \$240 Mn	1,809.26	1,660.11	26.03.2021	
13	US \$160 Mn	1,206.17	1,106.74	26.03.2021	
14	US \$300 Mn	2,261.58	2,075.14	29.07.2020	
15	US \$300 Mn	2,261.58	2,075.14	01.12.2020	
16	US \$250 Mn	-	1,331.55	Repaid in FY 2019-20	
17	US \$57.50 Mn	-	397.73	2019-20	Redeemed at par on maturity date
	<b>Sub - Total (B)</b>	<b>19,984.26</b>	<b>16,935.48</b>		
	<b>Total (A+B)</b>	<b>39,619.89</b>	<b>32,787.57</b>		

23.3 Foreign Currency Borrowings as at 31.03.2020 in above Note No. 23.1 and 23.2 have been raised at interest rate spread ranging from 60 bps to 150 bps over 6 Months USD/JPY LIBOR (London Inter Bank Offered Rate).

23.4 Details of Rupee Term Loan outstanding are as follows:

(i) Secured Rupee Term Loan

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	Allahabad Bank	500.00	-	02.01.2027	Bullet Repayment at the end of the tenor
2	Allahabad Bank	1,800.00	-	29.06.2026	The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026
3	Oriental Bank of Commerce	225.00	-	30.09.2025	The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
4	Bank of India	1,000.00	1,000.00	02.03.2025	The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025
5	Oriental Bank of Commerce	1,500.00	1,500.00	25.02.2025	There is a moratorium period of 2 years on principal repayment and after the completion of moratorium period of 02 years from date of disbursement, the loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
6	Corporation Bank	500.00	-	30.09.2024	The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024
7	Canara Bank	1,000.00	-	29.06.2024	Bullet Repayment at the end of the tenor
8	Canara Bank	500.00	-	24.06.2024	
9	Canara Bank	500.00	-	21.06.2024	
10	Corporation Bank	800.00	1,000.00	15.03.2024	The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
11	Bank of Maharashtra	750.00	750.00	11.03.2024	Moratorium: 2 years (8 quarters) from the date of 1st disbursement. Principal shall be repaid in 12 structured quarterly instalments, i.e. 4 instalments of ₹ 18.75 crore each from 9th-12th quarter, 4 instalments of ₹ 56.25 crore each from 13th-16th quarter and thereafter 4 instalments of ₹ 112.50 crore each from 17th-20th quarter
12	Canara Bank	1,000.00	1,000.00	20.02.2024	Bullet Repayment at the end of the tenor
13	Karnataka Bank	500.00	-	31.07.2022	The loan is to be repaid in 5 quarterly instalments of ₹ 100 crore each starting from 31-July-2021 and ending on 31-July-2022
14	UCO Bank	-	200.00	Repaid in FY 2019-20	Redeemed at par on maturity date
	<b>Total Secured Rupee Term Loan</b>	<b>10575.00</b>	<b>5450.00</b>		

## (ii) Unsecured Rupee Term Loan

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	Canara Bank	500.00	-	23.03.2026	Bullet Repayment at the end of the tenor
2	Union Bank of India	2,500.00	-	23.03.2025	
3	Oriental Bank of Commerce	1,000.00	-	20.03.2025	
4	Andhra Bank	800.00	-	15.01.2025	
5	State Bank of India	3,000.00	-	19.12.2024	
6	Bank of Baroda	2,000.00	-	15.04.2024	
7	Syndicate Bank	1,750.00	-	20.03.2024	Bullet Repayment at the end of the tenor
8	Bank of India	2,000.00	2,000.00	21.01.2024	
9	Canara Bank	500.00	500.00	15.01.2024	
10	Canara Bank	500.00	500.00	28.12.2023	
11	United Bank of India	995.00	1,000.00	24.12.2023	
12	HDFC Bank Ltd.	750.00	750.00	05.10.2023	
13	State Bank of India	5,999.98	6,000.00	27.09.2023	
14	UCO Bank	500.00	-	31.03.2023	
15	Indian Overseas Bank	400.00	-	31.03.2023	
16	Indian Overseas Bank	400.00	-	31.03.2023	
17	India Infrastructure Finance Company Limited	1,429.00	-	31.03.2022	
18	India Infrastructure Finance Company Limited	800.00	800.00	14.09.2021	
19	UCO Bank	1,000.00	1,000.00	23.08.2021	
20	India Infrastructure Finance Company Limited	271.00	-	25.03.2021	
21	Bank of Baroda	700.00	700.00	04.03.2021	
22	HDFC Bank Ltd.	750.00	750.00	30.09.2020	
23	Canara Bank	1,500.00	1,500.00	13.09.2020	
24	Bank of India	1,000.00	1,000.00	06.08.2020	
25	Andhra Bank	1,979.00	1,979.00	29.06.2020	
26	Vijaya Bank	2,000.00	2,000.00	19.06.2020	
27	Punjab National Bank	2,000.00	2,000.00	05.06.2020	
28	Punjab National Bank	2,000.00	2,000.00	24.05.2020	
29	India Infrastructure Finance Company Limited	-	775.00		
30	Allahabad Bank	-	2,000.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
31	Bank of Baroda	-	2,000.00		
32	Bank of Baroda	-	999.55		
33	State Bank of India	-	3,000.00		
<b>Sub - Total (A)</b>		<b>39,023.98</b>	<b>33,253.55</b>		
<b>In case of PFC's Subsidiary REC Ltd.</b>					
1	Bank of Baroda	2,500.00	-	₹ 416.75 Crore repayable on 12.12.2020, ₹ 1041.75 Crore repayable on 12.12.2021 and ₹ 1041.50 Crore repayable on 12.12.2022	
2	Corporation Bank	699.99	1,000.00	Loan repayable in 6 semi annual instalments, first instalment due on 06.09.2021.	
3	HDFC Bank Ltd.	2,000.00	2,000.00	₹ 500 Crore repayable on 29.04.2020, ₹ 300 Crore repayable on 29.09.2023, ₹ 350 Crore repayable on 11.10.2023, ₹ 350 Crore repayable on 06.11.2023, ₹ 500 Crore repayable on 15.01.2024	
4	Punjab National Bank	1,999.99	3,500.00	₹ 2,000 Crore repayable in 3 annual instalments and first instalment due on 14.09.2021	
5	State Bank of India	7,299.92	7,300.00	₹ 5,000 Crore repayable in 3 annual instalments and first instalment due on 15.10.2021, ₹ 2,300 Crore repayable in 5 annual instalments and first instalment due on 05.09.2020	
6	Oriental Bank of Commerce	399.88	750.00	Loan repayable in 8 semi-annual instalments, first instalment due on 30.03.2022	
7	Union Bank of India	1,500.00	500.00	Loan repayable in 6 semi-annual instalments, first instalment due on 24.06.2022	
8	Syndicate Bank	2,500.00	-	₹ 500 Crore repayable in 4 annual instalments and first instalment due on 28.08.2021, ₹ 2,000 Crore repayable in 4 annual instalments and first instalment due on 28.02.2022	
9	India Infrastructure Finance Company Limited	1,000.00	1,000.00	Repayable on 04.06.2022	
10	United Bank of India	-	1,000.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
11	Bank of India	-	2,000.00		
12	Canara Bank	-	500.00		
13	Life Insurance Corporation of India	-	200.00		
<b>Sub - Total (B)</b>		<b>19899.78</b>	<b>19750.00</b>		
<b>Total Rupee Term Loan (Unsecured)</b>		<b>58923.76</b>	<b>53003.55</b>		
<b>Total Rupee Term Loan (Unsecured &amp; Secured)</b>		<b>69498.76</b>	<b>58453.55</b>		

23.5 Borrowings as at 31.03.2020 in above Note 23.4 have been raised at respective bank's Benchmark rate plus spread ranging from 0 to 5 bps.

23.6 Details of Unsecured Rupee term Loan - GoI outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.11% p.a.)	7,500.00	7,500.00	27.12.2028	Bullet Repayment at the end of the tenor
<b>In case of PFC's Subsidiary REC Ltd.</b>					
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.29% p.a.)	5,000.00	-	04.10.2029	Bullet Repayment at the end of the tenor
2	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.16% p.a.)	5,000.00	5,000.00	13.12.2028	Bullet Repayment at the end of the tenor
<b>Total Unsecured Rupee term Loan - GoI</b>		<b>17,500.00</b>	<b>12,500.00</b>		

23.7 Details of Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	Tamilnad Mercantile Bank	-	382.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
2	Punjab National Bank	-	1,525.44		
3	South Indian Bank	-	317.92		
4	Oriental Bank of Commerce	-	1,805.00		
5	Indian Bank	-	1,995.00		
6	Vijaya Bank	-	1,890.00		
7	Punjab National Bank	-	344.13		
8	Punjab National Bank	-	26.43		
9	Punjab National Bank	-	1,291.94		
10	Canara Bank	-	1,704.13		
11	UCO Bank	-	500.00		
12	HDFC Bank Ltd.	-	955.19		
<b>Total Loan against Term Deposits</b>		-	<b>12,737.18</b>		

23.8 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
<b>In case of PFC</b>					
1	State Bank of India (WCL)	1,200.00	-	15.04.2020	Bullet Repayment at the end of the tenor
2	Punjab National Bank (WCDL)	600.00	-	15.04.2020	
3	Punjab National Bank (OD)	238.36	-	Running facility	Running facility
4	Bank of India	-	250.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
5	Punjab National Bank	-	370.00		
<b>In case of PFC's Subsidiary REC Ltd.</b>					
1	Short Term Loans/ Loans repayable on demand from Banks	2,754.86	-	Running facility	Running facility
<b>Total WCDL / OD / CC / Line of Credit</b>		<b>4,793.22</b>	<b>620.00</b>		

23.9 Borrowings of PFC in above Note 23.8 have been raised at rates ranging from 6.70% to 7.45% p.a.

23.10 None of the borrowings have been guaranteed by Directors.

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

23.12 Refer Note 12 for carrying values of the receivable pledged as security against secured rupee term loans. Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited)

## 24 Subordinated Liabilities

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Subordinated Liabilities</b>		
(i)	Subordinated Bonds (Refer Note 24.1)	13,862.70	13,862.70
(ii)	Interest accrued but not due on above	273.61	272.26
(iii)	Unamortised Transaction Cost on above	(5.71)	(6.50)
	<b>Total Subordinated Liabilities</b>	<b>14,130.60</b>	<b>14,128.46</b>
	<b>Geography wise Subordinated Liabilities</b>		
(i)	Subordinated Bonds in India	14,130.60	14,128.46
(ii)	Subordinated Bonds outside India	-	-
	<b>Total Geography wise Subordinated Liabilities</b>	<b>14,130.60</b>	<b>14,128.46</b>

24.1 Details of Subordinated Bonds are as under :

Sr. No.	Bond Series	As at 31.03.2020	As at 31.03.2019
1	Subordinated Tier II Debt Bond	2,000.00	2,000.00
2	Subordinated Tier II Debt Bond	1,000.00	1,000.00
3	Subordinated Tier II Debt Bond	800.00	800.00
4	Subordinated Tier II Debt Bond	2,411.50	2,411.50
5	Subordinated Tier II Debt Bond	1,000.00	1,000.00
6	Subordinated Tier II Debt Bond	2,000.00	2,000.00
7	Subordinated Tier II Debt Bond	2,151.20	2,151.20
8	Subordinated Tier II Debt Bond	2,500.00	2,500.00
	<b>Total</b>	<b>13,862.70</b>	<b>13,862.70</b>

## 25 Other Financial Liabilities

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Payable on account of Government of India Serviced Bonds (Refer Note 25.1)	26,831.04	23,034.27
(ii)	Advance received from Associates*	168.42	188.11
(iii)	Unclaimed Dividends (Refer Note 25.2)	8.23	7.31
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer Note 25.2)		
	- Unclaimed Bonds	39.66	40.67
	- Unclaimed Interest on Bonds	33.13	29.86
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.83	0.82
	- Interest Subsidy Fund and other GOI Funds for disbursement as subsidy / Grants	1,796.94	872.99
	- Payable towards funded staff benefits	0.38	31.78
	- Lease Liability (Refer Note 45)	11.85	-
	- Other liabilities	286.56	368.47
	<b>Total Other Financial Liabilities</b>	<b>29,177.04</b>	<b>24,574.28</b>

\*Payable in cash

### 25.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

Sr. No.	Bond Series	As at 31.03.2020	As at 31.03.2019
1	GoI-XI Series	1,750.00	-
2	GoI-X Series	532.30	-
3	GoI-IX Series	1,500.00	-
4	GoI-VIII Series	4,000.00	4,000.00
5	GoI-VII Series	1,200.00	1,200.00
6	GoI-VI Series	2,027.00	2,027.00
7	GoI-V Series	3,600.00	3,600.00
8	GoI-IV Series	3,000.00	3,000.00
9	GoI-III Series	753.00	753.00
10	GoI-II Series	1,410.00	1,410.00
11	GoI-I Series	1,837.00	1,837.00
12	PFC Bond Series 156-GoI Fully Serviced Bond	200.00	200.00
13	PFC Bond Series 158-GoI Fully Serviced Bond	1,335.00	1,335.00
14	PFC Bond Series 160-GoI Fully Serviced Bond	1,465.00	1,465.00
15	PFC Bond Series 164-GoI Fully Serviced Bond	2,000.00	2,000.00
16	Interest accrued on above	221.74	207.27
	<b>Total GoI Serviced Bonds (Unsecured Taxable Bonds)</b>	<b>26,831.04</b>	<b>23,034.27</b>

25.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. Out of the above, the amount eligible to be transferred to Investor Education and Protection Fund has been transferred.

### 25.3 Interest Subsidy Fund under Accelerated Generation & Supply Programme (AG&SP):

PFC & RECL claimed subsidy from Gol at net present value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes.

#### A. In respect of PFC

- (i) On the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), PFC estimated that there is no net excess amount for both IX and X Plans as at 31.03.2020 (As at 31.03.2019 Nil and ₹ 16.04 crore respectively) under AG&SP schemes.
- (ii) Balance under the head Interest Subsidy Fund shown as Other Financial Liability, representing amount of subsidy received from MoP, Gol, comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2020	Year ended 31.03.2019
<b>Opening Balance</b>	<b>15.96</b>	<b>112.51</b>
Add : Received during the period	-	-
: Interest credited during the period	1.35	3.45
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Refunded to MoP:-		
(a) Estimated net excess against IX & X Plan	-	100.00
(b) Due to non- commissioning of Project in time	-	-
<b>Closing Balance</b>	<b>17.31</b>	<b>15.96</b>

Interest subsidy passed on to borrowers during FY 2019-20 is ₹ 1.13 crore (previous year ₹ 1.95 crore).

#### B. In respect of subsidiary, RECL

Net amount of ₹0.69 Crore as at 31.03.2020 (₹ 0.63 Crore as at 31.03.2019) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2020	Year ended 31.03.2019
<b>Opening Balance of Interest Subsidy Fund</b>	<b>0.63</b>	<b>0.53</b>
Add: Interest earned during the year	0.06	0.11
Less: Interest subsidy passed on to the borrower	-	0.01
<b>Closing Balance of Interest Subsidy Fund</b>	<b>0.69</b>	<b>0.63</b>

### 25.4 In respect of subsidiary, RECL

Government of India has appointed RECL as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). The funds received for disbursement to various agencies under the scheme are kept in a separate bank account. The undisbursed funds for the scheme (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under 'Undisbursed Subsidy/ grant' under the head 'Other Financial Liabilities'.



The movement in Interest on Subsidy/ Grant is explained as under:

(₹ in crore)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening Balance	42.57	24.41
Add: Interest earned during the year	50.10	93.70
Less: Amount refunded to Govt. during the year	60.71	75.53
Less: Disbursement out of Interest earned on account of AG&SP Grant	-	0.01
<b>Closing Balance</b>	<b>31.96</b>	<b>42.57</b>

**25.5** For meeting GOI's funding requirement of DDUGJY Scheme, during the year, the subsidiary RECL has raised an aggregate amount of ₹3,782.20 crore (Previous year ₹ 13,827 crore) through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per Ministry of Finance (MoF) letter dated 09.09.2019, the repayment of principal and interest of the above bonds shall be made by Gol by making suitable budget provisions in the demand of Ministry of Power. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by RECL from Govt. of India.

## 26 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	For Employee Benefits (Refer Note 43)		
	- Gratuity	2.76	0.75
	- Leave Encashment	73.20	60.78
	- Economic Rehabilitation of Employees	7.14	5.38
	- Provision for Bonus / Incentive	84.00	83.25
	- Provision for Staff Welfare Expenses	18.37	16.83
	- Proposed Wage Revision	-	13.11
(ii)	Impairment Loss Allowance - Letter of Comfort (Refer Note 26.1 & 26.2)	188.85	186.71
	<b>Total Provisions</b>	<b>374.32</b>	<b>366.81</b>

### 26.1 Movement of Impairment on Letter of Comfort

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance	186.71	195.55
Creation during the year	8.87	6.07
Reversal during the year	(6.73)	(14.91)
<b>Closing balance</b>	<b>188.85</b>	<b>186.71</b>

26.2 Letter of Comfort is in the nature of commitment to the borrowers, hence the impairment allowance on the same has been categorised as provisions in accordance with requirements of Ind AS 107.

27 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Unamortised Fee - Undisbursed Loans Assets	151.91	122.12
(ii)	Sundry Liabilities (Interest Capitalisation)	6.57	21.99
(iii)	Statutory dues payable	31.23	49.64
(iv)	Advance received from Govt. towards Govt. Schemes	4.14	16.20
	<b>Total Other Non-Financial Liabilities</b>	<b>193.85</b>	<b>209.95</b>

28 Equity Share Capital

Sr. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
<b>(A)</b>	<b>Authorised Capital</b>				
	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>(B)</b>	<b>Issued, Subscribed and Fully Paid-up Capital</b>				
	Equity Share Capital (Par Value per share ₹ 10)	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
<b>(C)</b>	<b>Reconciliation of Equity Share Capital</b>				
	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

28.1 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders

28.2 Shares in the Company held by each shareholder holding more than 5% of the shares

	Particulars	As at 31.03.2020		As at 31.03.2019	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India	1,47,82,91,778	55.99%	1,55,88,89,417	59.05%
(ii)	HDFC Trustee Company Ltd	24,41,49,623	9.25%	19,88,98,595	7.53%
(iii)	Life Insurance Corporation of India	15,51,78,214	5.88%	15,63,20,146	5.92%
(iv)	UBS Principal Capital Asia Ltd	8,66,24,000	3.28%	14,22,38,384	5.39%

28.3 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

28.4 During the period of last 5 years, the Company has issued 132,00,40,704 bonus shares in the ratio of 1:1 during FY 2016-17 and has not bought back any shares.

28.5 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

28.6 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

28.7 Forfeited shares (amount originally paid up) : Nil

28.8 Capital Management : Refer Note 41.1.

**28.9** During FY 2019-20 Government of India (GoI) has transferred 7,63,13,829 and 42,83,810 numbers of equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of CPSE ETF and Bharat 22 ETF respectively.

29 Other Equity\*

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Capital Reserve - Common Control (Refer Note 29.1(i))	(13,461.00)	(13,461.00)
(ii)	Capital Reserve - Change in shareholding in JV	2.47	-
(iii)	Debenture Redemption Reserve (Refer Note 29.1(ii))	0.00	2,708.07
(iv)	Securities Premium (Refer Note 29.1(iii))	3,953.74	3,953.74
(v)	Foreign Currency Monetary Item Translation Difference Account (Refer Note 29.1(iv))	(2,346.18)	(1,172.29)
(vi)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 (Refer Note 29.1(v))	3,666.61	2,020.82
(vii)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961 (Refer Note 29.1(vi))	4,089.44	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 Year 1997-98 (Refer Note 29.1(vii))	27,616.89	25,465.49
(x)	Interest Differential Reserve - KFW Loan (Refer Note 29.1(viii))	61.40	60.00
(xi)	General Reserve (Refer Note 29.1(ix))	14,655.76	10,191.77
(xii)	Impairment Reserve (Refer Note 29.1(x))	417.55	-
(xiii)	Retained Earnings (Refer Note 29.1(xi))	8,080.18	9,029.56
(xiv)	Reserve for Equity Instruments through Other Comprehensive Income (Refer Note 29.1(xii))	(257.72)	(204.45)
(xv)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through other Comprehensive Income (Refer Note 29.1(xiii))	(211.65)	(50.14)
(xvi)	Costs of Hedging Reserve (Refer Note 29.1(xiv))	(107.77)	-
(xvii)	Share of Other Comprehensive Income in Joint Venture and Associates	0.15	2.22
	<b>Total Other Equity</b>	<b>46,759.72</b>	<b>44,481.17</b>

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

29.1 Nature and purpose of reserve

- (i) Consequent to the acquisition of REC Limited, the difference between PFC's share in equity share capital of REC Limited of ₹ 1039.50 and the consideration paid (including existing investment of ₹ 0.50 crore) of ₹ 14500.50 crore has been recognized as capital reserve-common control as at April 1, 2017.
- (ii) Debenture Redemption Reserve (DRR)  
In accordance with provisions of Section 71(4) of the Companies Act, 2013 as further clarified by the Companies (Share Capital and Debenture) Rules, 2014 issued by Ministry of Corporate Affairs, Govt. of India, the Company created Debenture Redemption Reserve (DRR) upto 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008 during the maturity period of such debentures, and no DRR is required in case of privately placed debentures. However, in terms of Companies (Share Capital and Debentures) Rules, 2014 read with Companies (Share Capital and Debentures) Amendments Rules, 2019, the Group is not required to create Debenture Redemption Reserve (DRR). Pursuant to such amendment, entire balance of DRR has been transferred to General Reserve during the year.
- (iii) Securities Premium  
It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.
- (iv) Foreign Currency Monetary Item Translation Difference Account  
It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (existing as on 31.03.2018) and are amortized over the tenure of the respective borrowings.
- (v) Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934  
It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.
- (vi) Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961  
It has been created to avail income tax deduction under section 36(1)(vii)(c) of Income Tax Act, 1961. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof. As per section 36(1)(vii)(c) of Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.
- (vii) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961  
It is maintained in order to enable PFC and its subsidiary REC Ltd. to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.

(viii) Interest Differential Reserve - KFW Loan

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

(ix) General Reserve

General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves. In view of the erstwhile provisions of the Companies Act, 1956, the Company and its subsidiary REC Ltd. had transferred certain percentage of the profits to General Reserve before declaration of dividend. However, Companies Act, 2013 does not mandate transfer of profits to General Reserve before declaration of dividend.

(x) Impairment Reserve

Reserve Bank of India (RBI) issued Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of 'Implementation of Indian Accounting Standards' by NBFCs. In terms of the said circular, in case the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the Group is required to appropriate the difference from their net profit after tax to "Impairment Reserve". No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

(xi) Retained earnings

It represent profits and specified items of other comprehensive income recognised directly in retained earnings earned by the Group after transfer to and from other reserves and dividend distributions.

(xii) Reserve for Equity Instruments through Other Comprehensive Income

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

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

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

(xiv) Cost of Hedging Reserve

PFC's subsidiary REC Ltd. designates the intrinsic value of foreign currency option contracts as hedging instruments in 'Cash Flow Hedge' relationships. The changes in fair value of the time value of an option are recognised in OCI and amortised to the Statement of Profit and Loss on a rational basis.

29.2 The details of dividend paid by PFC on equity shares of face value of ₹ 10 each is as under:

Particulars	FY 2019-20			FY 2018-19		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	95%	9.50	2,508.08	-	-	-
<b>Total Dividend</b>	<b>95%</b>	<b>9.50</b>	<b>2,508.08</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 Non-Controlling Interest

Sr. No.	Particulars	(₹ in crore)	
		As at 31.03.2020	As at 31.03.2019
	<b>Balance at the beginning of the period</b>	<b>16,363.02</b>	<b>15,435.22</b>
(i)	Share of Net Profit for the year	2,355.12	2,719.41
(ii)	Re-measurement of Defined Benefit Plans	(1.02)	(5.97)
(iii)	Share of Other Comprehensive Income / (Expense)	(261.31)	(22.73)
	<b>Share of Total Comprehensive Income</b>	<b>2,092.79</b>	<b>2,690.71</b>
(i)	Dividend paid to Non-Controlling Interest	(1,028.97)	(1,192.61)
(ii)	Dividend Distribution tax paid for Non-Controlling Interest	(211.28)	(248.91)
(iii)	Others	(450.00)	(321.39)
	<b>Balance at the end of the period</b>	<b>16,765.57</b>	<b>16,363.02</b>

**31 Interest Income**

(₹ in crore)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Interest on Loans	61,491.76	53,329.07
	Less : Rebate for Timely Payment to Borrowers	(401.99)	(491.90)
(ii)	Interest on Deposits with Banks	231.22	263.52
(iii)	Other Interest Income	45.21	70.87
<b>B</b>	<b>On Financial Assets classified at Fair Value Through Profit or Loss</b>		
(i)	Interest on Investment	259.56	255.85
(ii)	Other Income	2.59	-
	<b>Total Interest Income (A+B)</b>	<b>61,628.35</b>	<b>53,427.41</b>

**32 Fees and Commission Income**

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

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Prepayment Premium on Loans	92.34	246.56
(ii)	Fee based Income on Loans	50.05	24.59
(iii)	Fee for implementation of GoI Schemes	19.52	102.96
	<b>Total Fees and Commission Income</b>	<b>161.91</b>	<b>374.11</b>

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

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	On financial instruments at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	(648.54)	(266.54)
	- Change in Fair Value of Investments	(9.19)	-
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual	(15.47)	3.00
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>(673.20)</b>	<b>(263.54)</b>
	<b>Fair value changes:</b>		
(i)	- Realised	205.63	(772.90)
(ii)	- Unrealised	(878.83)	509.36
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>(673.20)</b>	<b>(263.54)</b>

33.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

**34 Other Operating Income**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Sale of Services (Refer Note 6.11)	293.37	225.67
(ii)	Other	0.16	1.83
	<b>Total Other Operating Income</b>	<b>293.53</b>	<b>227.50</b>

**35 Other Income**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Excess Liabilities written back	0.48	12.05
(ii)	Miscellaneous Income	85.44	39.13
	<b>Total Other Income</b>	<b>85.92</b>	<b>51.18</b>



## 36 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	<b>On Financial Liabilities Measured At Amortised Cost</b>		
(i)	<b>Interest on Borrowings</b>		
	- Term Loans and others	7,841.35	4,298.75
	- Interest on Lease Liability (Refer Note 45)	1.22	-
(ii)	<b>Interest on Debt Securities</b>		
	- Bonds / Debentures	30,554.38	28,810.47
	- Commercial Paper	896.99	894.69
(iii)	<b>Interest on Subordinated Liabilities</b>	1,246.87	568.12
(iv)	<b>Other Interest Expense</b>		
	- Interest on Interest Subsidy Fund (Refer Note 25.3 A(ii))	1.35	3.46
	- Interest on Application Money - Bonds	0.06	0.08
	- Interest on advances received from Subsidiaries	5.07	6.18
	- Interest under Income Tax Act, 1961	0.38	5.86
	- Other	4.73	6.65
	Less: Finance Cost Capitalised	(15.79)	(11.37)
(v)	- Swap Premium ( Net )	308.04	43.91
	<b>Total Finance Costs</b>	<b>40,844.65</b>	<b>34,626.80</b>

**37 Fees and Commission Expense**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Agency Fees	2.99	1.52
(ii)	Guarantee, Listing and Trusteeship fees	16.37	15.45
(iii)	Credit Rating Fees	9.28	8.08
(iv)	Other Finance Charges	7.56	19.42
	<b>Total Fees and Commission Expense</b>	<b>36.20</b>	<b>44.47</b>

**38 Impairment on Financial Instruments**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Loans	421.33	(648.28)
(ii)	Investment (acquired on settlement of loans)	81.75	-
(iii)	Write Offs - Loans	1,368.92	-
(iv)	Other Financial Instruments	45.07	31.21
(v)	Letter of Comfort	(6.24)	(8.67)
<b>B</b>	<b>On Financial Assets measured at Cost</b>		
(i)	Investment	-	0.01
	<b>Total Impairment on Financial Instruments</b>	<b>1,910.83</b>	<b>(625.73)</b>

38.1 Refer Note 41.2.1 for details of impairment on financial assets.

**39 Employee Benefit Expenses**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Salaries and Wages	285.99	273.58
(ii)	Contribution to Provident and other Funds	36.65	31.87
(iii)	Staff Welfare Expenses	70.26	52.47
(iv)	Rent for Residential Accommodation of Employees (Refer Note 39.2)	6.82	4.74
	<b>Total Employee Benefit Expenses</b>	<b>399.72</b>	<b>362.66</b>

39.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 43.

39.2 Rent for Residential Accommodation of Employees is on account of rent (net of recoveries) on lease arrangements for premises which are taken for residential use of employees and are usually renewable on mutually agreed terms and are cancellable.

**40 Other Expenses**

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Rent, Taxes and Energy Cost (Refer Note 40.1)	20.90	45.68
(ii)	Repairs and Maintenance	18.34	12.87
(iii)	Communication Costs	5.14	5.60
(iv)	Printing and Stationery	4.65	5.85
(v)	Advertisement and Publicity	20.06	95.56
(vi)	Directors Fees, Allowance & Expenses	0.36	0.36
(vii)	Auditor's fees and expenses (Refer Note 40.2)	2.92	2.84
(viii)	Legal & Professional charges	19.32	29.27
(ix)	Insurance	0.31	0.31
(x)	Travelling and Conveyance	35.45	34.11
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	2.65	1.22
(xii)	Other Expenditure	98.45	85.24
	<b>Total Other Expenses</b>	<b>228.55</b>	<b>318.91</b>

40.1 Rent, Taxes & Energy Cost includes rent for premises taken on lease for official use and are usually renewable on mutually agreed terms and are cancellable.

40.2 Auditor's fees and expenses are as under :

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Fee paid to Statutory Auditors:		
(i)	- As Auditor	0.99	1.06
(ii)	- For Taxation matters*	0.26	0.38
(iii)	- For Company Law Matters (includes Limited Review Fees)	0.65	0.45
(iv)	- For Other services	0.79	0.77
(v)	- For Reimbursement of expenses	0.04	0.08
(vi)	Non Recoverable Tax Credit in respect of fees paid to Auditors	0.19	0.10
	<b>Total</b>	<b>2.92</b>	<b>2.84</b>

\* In case of PFC's Subsidiary REC Ltd., includes Nil (Previous year ₹ 0.09 crore) of fees for taxation matters pertaining to earlier years.

## 41 Financial Instruments

### 41.1 Capital Management

The Group maintains a capital base that is adequate to support the Group's risk profile, regulatory and business needs. The Group sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 23, 24 & 25 for details w.r.t. sources of funds and refer Consolidated Statement of Changes in Equity for details w.r.t Equity.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), NBFCs are required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company and its subsidiary RECL are registered with RBI as Non Deposit Systematically Important (NDSI) Companies. Both the companies regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Risk Adjusted Ratio (CRAR) is as under:

Particulars	As at 31.03.2020		As at 31.03.2019	
	PFC	RECL	PFC	RECL
CRAR – Tier I Capital	12.45%	13.17%	11.73%	14.44%
CRAR – Tier II Capital	4.51%	2.89%	5.36%	3.33%
Total CRAR	16.96%	16.06%	17.09%	17.77%

Details of Subordinated Debt / Perpetual Debt raised are as under:

Particulars	₹ in crore)	
	FY 2019-20	FY 2018-19
Amount of subordinated debt raised as Tier-II capital	-	7,562.70
Amount raised by issue of Perpetual Debt Instruments	-	-

### Dividend Distribution Policy

The companies in the Group have a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to GoI guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, an entity is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions. Though respective companies' endeavours to declare dividend as per these guidelines, they may propose a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the respective company; etc. For details of dividend paid during the year, refer Note 29.2.

### 41.2 Financial Risk Management

The Group is exposed to several risks which are inherent to the environment that it operates in. The Group is primarily into the business of extending financial assistance to power sector. The principal risks which are inherent with the Group's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

The following table broadly explains the sources of risks which the Group is exposed to and how it manages the same and related impact in the consolidated financial statements:

Sr. No.	Risk	Exposure arising from	Measurement	Risk Management
41.2.1	Credit Risk	Loans, financial assets, investments, trade receivables, cash and cash equivalents	Ageing analysis	Detailed appraisal process, credit limits, diversification of asset base and collateral including government guarantee
41.2.2	Liquidity Risk	Debt securities, borrowings, subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
41.2.3	Market Risk – Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis, cash flow forecasting	Derivative contracts for hedging currency risk
41.2.4	Market Risk – Interest Rate Risk	Debt securities, Borrowings, subordinated liabilities and loans at variable interest rates	Interest rate gap analysis, Sensitivity analysis	Mix of loan arrangements with varied interest rate terms, Derivative contract like interest rate swaps etc.
41.2.5	Market Risk – Price Risk	Investments in quoted equity securities	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the companies in the Group have put in place a mechanism to ensure that these risks are monitored carefully and managed efficiently. Pursuant to RBI notification DNBR (PD) CC.NO/.099/03.10.001/2018-19; to augment risk management practices in the respective Company, the Board of Directors of PFC and its subsidiary RECL have also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

#### 41.2.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge its obligation. Details of financial assets that expose the Group to credit risk are:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Low Credit Risk</b>		
Cash and cash equivalents <sup>(A)</sup>	1,905.21	726.64
Bank balances other than included in cash and cash equivalents <sup>(A)</sup>	2,282.96	15,650.40
Loans (Principal Outstanding) <sup>(C)</sup>	5,82,949.37	5,32,107.25
Trade Receivables <sup>(B)</sup>	114.51	182.96
Investments (Excluding equity investments) <sup>(A)</sup>	2,579.97	2,445.98
Other financial assets <sup>(B)</sup>	27,462.14	23,712.97
<b>Moderate Credit Risk</b>		
Loans (Principal Outstanding) <sup>(C)</sup>	35,252.65	13,880.61
Trade receivables <sup>(B)</sup>	52.01	3.37
<b>High Credit Risk</b>		
Loans (Principal Outstanding) <sup>(C)</sup>	49,127.25	49888.75
Other financial assets <sup>(B)</sup>	51.64	40.45
Trade receivables <sup>(B)</sup>	40.04	28.16

(A) Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, across the country with diversified deposit base.

For its investments, exposure to credit risk is managed by placing funds in securities issued by counterparties having a high credit rating, periodic monitoring of such investments, and taking necessary actions when required.

- (B) Credit risk on trade receivables and other financial assets is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts. The Group carries requisite impairment loss allowance on such trade receivables and other financial assets.
- (C) The Group is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below (Note 41.2.1.1 – Note 41.2.1.12).

#### **41.2.1.1. Credit Risk Management Approach for lending operations**

##### **A. In respect of PFC**

PFC has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the PFC's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. PFC selects the borrowers in accordance with the PFC's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. PFC's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by PFC.

##### **(i) Project Appraisal**

PFC follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

###### **(a) Appraisal for Private Sector Power Projects**

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted by the Competent Authority on the basis of preliminary appraisal.

PFC along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. PFC follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package and interest rate) are stipulated.

###### **(b) Appraisal for State Sector Power Projects**

State sector projects are taken up for detailed appraisal to determine, inter-alia, if it is techno economically sound and compatible with integrated power development & expansion plans of the State.

PFC classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, PFC adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, PFC's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of PFC's rating structure.

Such categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. PFC also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and the like are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of PFC as a lender for timely servicing of debt. PFC has an authorisation/ delegation structure for the approval and renewal of credit facilities commensurating with the size of the loan.

## **(ii) Security and Covenants**

PFC stipulates a package of security measures/covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, PFC adopts a combination of the following measures:

- (a) Primary Security -Charge on Project Assets
- (b) Collateral Securities - Corporate guarantee, State Government Guarantees, Personal guarantee of promoters, Pledge of shares of promoters, Charge on assets / revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

## **(iii) Project Monitoring**

PFC has a comprehensive project monitoring system that monitors and tracks project construction and implementation status; identifies risks where intervention is required to minimize the time & cost overruns and consequent slippages in disbursements.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where PFC is Lead Financial Institution (FI), PFC engages Lenders' Engineers (LEs) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilization of funds in the project periodically. In cases where PFC is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction/implementation etc. and is reviewed by PFC on a regular basis.

PFC continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, PFC initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularization of the account by recovering all overdues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, National Company Law Tribunal (NCLT) (IBC -2016) etc. and other actions as specified under regulatory/legal framework.

## **B. In respect of subsidiary, RECL**

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. RECL has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, RECL follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on regular basis the projects risk are reviewed and categorized as High/Moderate/Low based on different risk parameters and exposure of the project as per Project Risk Categorization Frameworks. The process for Credit Risk Management is as under:

(i) RECL has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk.

(ii) For all existing private sector projects, where RECL is Lead Financial Institution, RECL engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA), which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where RECL is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

RECL also endeavours to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

(iii) RECL has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/Executive Committee/Loan Committee/Board of Directors based on the recommendation of Screening Committee, as appropriate.

(iv) RECL has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.

(v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.

(vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout RECL for management of credit risk.

(vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities is also subject to the same review process.

(viii) RECL continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, RECL initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account

(SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

#### 41.2.1.2. Credit Risk Measurement - Impairment Assessment

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Group uses the following basis:

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.
- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'.
- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category.

##### A. In respect of PFC

PFC recognises impairment loss allowance in accordance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss.

- I. **Default:** In accordance with Ind AS 109, PFC considers the rebuttable presumption to define a financial instrument as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.
- II. **SICR** - An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, PFC has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Additionally, PFC also considers any other observable input indicating a significant increase in credit risk.

##### III. Measurement of Expected Credit Loss (ECL)

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). PFC has appointed an independent agency, ICRA Analytics Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

###### (i) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used.

For Stage III credit impaired accounts, 100% PD is taken.

For 12 month PD: PDs as associated with external ratings grades (published as a part of rating transition matrix of ICRA) have been used for assessment of ECL. In case of State Sector borrowers, the same have been derived on the basis of mapping with the Company's internal ratings. Whereas in case of private sector borrowers, the same have been derived on the basis of mapping with latest external ratings as published by various credit rating agencies. In case of non-availability of external rating for private sector borrowers, the 12-month PD has been computed through a Proxy Risk Scoring Model developed by the agency. The said model uses the financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative parameters like Plant Load Factor, LAF and ACS ARR gap.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.



(ii) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, LGD has been assigned on the basis of risk category considering State GDP and fiscal deficit.

In case of Private sector borrowers, LGD has been assessed considering factors like Project Cost per Unit, Percentage Completion, Project Capacity in case of generation projects and on the basis of book value of assets in case of transmission & distribution projects. The said assessed values have thereafter been discounted by applying stress factor and depreciation based on useful life of assets as published by CERC. Further, stage wise average LGD had been applied in case of other types of projects.

For Stage III borrowers, LGD has been assessed based on discounted projected cash flow analysis for operational projects and on assets valuation for projects under liquidation.

(iii) Exposure at Default (EAD)

It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

(iv) Key assumptions used in measurement of ECL

- PFC considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since PFC has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

(v) The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the Credit Rating Models also consider the forward looking information in the determination of the credit rating to be assigned to the borrower, by taking into consideration various financial ratios and extension of the project completion. As such, the Base Case Scenario reflects the most appropriate basis for the computation of ECL for PFC.

**B. In respect of subsidiary, RECL**

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board-approved policy of RECL, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. RECL's management overlays to the model output, if any, are duly documented and approved by the Audit Committee of RECL. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

I. RECL has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for Distribution Companies (DISCOMs), RECL adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, RECL uses the external rating as published by various credit rating agencies or proxy risk scores in case such rating is not available. The proxy risk score model considers following parameters:

➤ Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

➤ Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF
- Actual Default dates, loan restructuring details
- Status of the Project

## II. Significant Increase in Credit Risk (SICR)

RECL considers a financial instrument to have experienced a significant increase in credit risk when on any financial instrument if the payment is more than 30 days past due on its contractual payments. However, based on historical data, it has been noticed that such overdue amounts for more than 30 days do not signify significant increase in credit risk for state utilities. Therefore, RECL has applied this criteria only for private entities. However, in case of State sector borrowers with dues more than 60 days but less than 90 days, the external rating or risk score computed using the model will be downgraded by one notch to better capture the riskiness of the borrower.

## III. Low credit risk exemption

Ind-AS provides an optional simplification to assume that the credit risk on a financial asset has not increased significantly since initial recognition (and thus remain in stage 1) if the financial asset is considered to have a low credit risk at the reporting date.

Credit risk is considered to be 'low' when the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

RECL considers loan assets having External credit rating between AAA to A, to have low credit risk. Further, RECL has taken low credit risk exemption for all state utilities as it considers that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default/ loss history in state sector and availability of government guarantee in certain loans. Further, presence of Government interest in these projects lowers the risk of non-recoverability of dues.

## IV. Definition of default and credit-impaired assets

RECL defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or any such period allowed by RECL in line with circular issued by the Reserve Bank of India.

## V. Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.
- LGD represents RECL's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

## VI. Determination of Probability of Default (PD)

RECL has analysed the rating transition matrix published by ICRA to arrive at annual transition matrix. This annual transition matrix was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD.

## VII. Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking, RECL has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research RECL has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector Transmission and Distribution companies the realizable value of the assets were arrived at using suitable assumptions to arrive at LGD. For State Government and Public sector projects, RECL has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

### VIII. Alignment of LGD in case of Stage III Assets

Stage III Assets, where RECL and PFC (Group Companies) are in Consortium for Stage-III Loan accounts, RECL considers LGD on the following basis:

- In cases where either RECL or PFC is lead lender, LGD % calculated by the lead lender is adopted
- In cases where neither RECL nor PFC is lead lender, higher of the LGD% worked out by RECL and PFC is adopted.

### IX. Key assumptions used in measurement of ECL

- RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.

### X. Credit Risk Exposure

Credit Risk Exposure in respect of the borrowers with different credit ratings is as under

(₹ in crore)

External rating range	As at 31.03.2020				As at 31.03.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	37,832.86	-	-	37,832.86	-	-	-	-
AA	82,131.73	-	-	82,131.73	3,239.02	-	-	3,239.02
A	71,840.30	-	-	71,840.30	56,158.84	-	-	56,158.84
BBB	28,629.56	-	-	28,629.56	40,834.51	-	-	40,834.51
BB	60,555.15	36.22	-	60,591.37	57,967.67	519.32	-	58,486.99
B	9,876.29	23.37	-	9,899.66	47,683.74	1,030.31	-	48,714.05
C	2,215.02	29.68	-	2,244.70	46,119.65	2,862.99	-	48,982.64
D	-	2,342.00	21,255.55	23,597.55	-	-	20,348.44	20,348.44
Government Loan	6,616.62	-	-	6,616.62	4,445.19	-	-	4,445.19
<b>Gross carrying amount</b>	<b>2,99,697.53</b>	<b>2,431.27</b>	<b>21,255.55</b>	<b>3,23,384.35</b>	<b>2,56,448.62</b>	<b>4,412.62</b>	<b>20,348.44</b>	<b>2,81,209.68</b>
Loss allowance	488.46	963.83	10,552.13	12,004.42	525.26	1,273.72	9,698.95	11,497.93
<b>Carrying amount</b>	<b>2,99,209.07</b>	<b>1,467.44</b>	<b>10,703.42</b>	<b>3,11,379.93</b>	<b>2,55,923.36</b>	<b>3,138.90</b>	<b>10,649.49</b>	<b>2,69,711.75</b>

### XI. Collateral and other credit enhancements

RECL employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. RECL has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Assignment of project contract documents
- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Corporate and personal Guarantee of Promoters

### 41.2.1.3. Credit risk analysis

#### (i) Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 12 'Loans' for Group's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 49 for exposure of Guarantee and Outstanding Disbursement Commitments.

#### (ii) Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio of PFC and its subsidiary, RECL on the basis of similar risk characteristics:

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
<b>Concentration by ownership</b>				
Loans to state sector (i.e. entities under the control of state and /or central government)	5,71,332.27	554.49	5,08,774.12	700.96
Loans to private sector	95,997.00	27,413.96	87,102.49	27,164.72
<b>Total</b>	<b>6,67,329.27</b>	<b>27,968.45</b>	<b>5,95,876.61</b>	<b>27,865.68</b>

\*including impairment loss allowance on Letter of Comfort (LoC) of ₹ 188.85 Cr. (as at 31.03.2019 ₹ 186.71 Cr.)

The Companies considers that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Companies have a lending portfolio comprising of loans to generation (renewable and non-renewable), transmission and distribution power projects spread across diverse geographical areas.

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
<b>Concentration by sector—</b>				
Generation	2,94,713.46	24,411.14	3,17,718.20	25,245.37
Renewable	28,373.82	615.29	19,848.59	526.54
Transmission	95,914.32	1,527.09	75,596.68	1,349.57
Distribution	1,60,998.49	278.21	1,36,927.37	265.34
Others	87,329.18	1,136.72	45,785.77	478.86
<b>Total</b>	<b>6,67,329.27</b>	<b>27,968.45</b>	<b>5,95,876.61</b>	<b>27,865.68</b>

\*including impairment loss allowance on Letter of Comfort (LoC) of ₹ 188.85 Cr. (as at 31.03.2019 ₹ 186.71 Cr.)

#### 41.2.1.4. Details regarding Concentration of Loans and Exposures

##### A. In respect of PFC:

###### a) Concentration of Advances:

Description	As at 31.03.2020	As at 31.03.2019
Total Advances (Principal Outstanding) to twenty largest borrowers (₹ in crore)	2,06,588.74	1,88,278.21
Percentage of Advances to twenty largest borrowers to Total Advances of PFC	59.90%	59.83%

###### b) Concentration of Exposures:

Description	As at 31.03.2020	As at 31.03.2019
Total Exposure to twenty largest borrowers / customers (₹ in crore)	2,86,228.18	2,61,087.34
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of PFC on borrowers / customers	54.90%	53.87%

###### c) Concentration of Stage III accounts:

Description	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Principal outstanding of top four Stage III accounts of PFC	13,883.24	13,847.63

##### B. In respect of subsidiary, RECL

###### a) Concentration of Advances:

Description	As at 31.03.2020	As at 31.03.2019
Total Advances to twenty largest borrowers (₹ in crore)	1,84,741.84	1,58,931.60
Percentage of Advances to twenty largest borrowers to Total Advances of RECL	57.30%	56.52%

###### b) Concentration of Exposures:

Description	As at 31.03.2020	As at 31.03.2019
Total Exposure to twenty largest borrowers / customers (₹ in crore)	2,88,397.43	2,54,896.66
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of RECL on borrowers / customers	59.46%	59.46%

###### c) Concentration of Stage III accounts:

Description	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Total outstanding of top four Stage III accounts of RECL	8,618.52	8,502.74

**41.2.1.5. Details of Stage wise Principal outstanding and Impairment loss Allowance in respect of PFC & subsidiary, RECL:**

(₹ in crore)

Particulars	As at 31.03.2020			As at 31.03.2019		
	Principal Outstanding	Impairment loss allowance*	%	Principal Outstanding	Impairment loss allowance*	%
Stage I	5,82,949.37	930.13	0.16	5,32,107.25	1,388.29	0.26
Stage II	35,252.65	1,737.73	4.93	13,880.61	1,576.79	11.36
Stage III	49,127.25	25,300.59	51.50	49,888.75	24,900.60	49.91
<b>Total</b>	<b>6,67,329.27</b>	<b>27,968.45</b>	<b>4.19</b>	<b>5,95,876.61</b>	<b>27,865.68</b>	<b>4.68</b>

\*including impairment loss allowance on Letter of Comfort (LoC) of ₹ 188.85 Cr. (as at 31.03.2019 ₹ 186.71 Cr.)

**41.2.1.6. Details of Stage wise movement of Principal outstanding and Impairment loss Allowance:**

The following tables explain the changes in the loans and the corresponding impairment loss allowance in respect of PFC & subsidiary, RECL between the beginning and the end of the reporting period:

(₹ in crore)

FY 2019-20	Stage I		Stage II		Stage III		Total	
	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*
<b>Opening Balance</b>	<b>5,32,107.25</b>	<b>1,388.28</b>	<b>13,880.61</b>	<b>1,576.79</b>	<b>49,888.75</b>	<b>24,900.60</b>	<b>5,95,876.61</b>	<b>27,865.68</b>
Transfer to Stage I	7,809.96	579.38	(6,874.07)	(106.43)	(935.90)	(472.95)	(0.01)	-
Transfer to Stage II	(29,768.07)	(56.70)	29,835.95	73.67	(67.89)	(16.97)	(0.01)	-
Transfer to Stage III	(1,476.62)	(12.99)	(1,485.30)	(526.81)	2,961.92	539.80	-	-
Net Change in Principal/ECL during the year	5,369.59	(411.99)	(1,280.50)	703.83	46.38	1,675.87	4,135.47	1,967.71
New financial assets originated	1,17,102.08	224.26	1,739.43	17.00	75.00	30.80	1,18,916.51	272.06
Derecognised financial assets (loans repaid)	(47,498.37)	(309.35)	(563.46)	(0.34)	(1,512.57)	(103.02)	(49,574.40)	(412.71)
Financial Assets derecognised during the period (Write Off)	(636.64)	(410.93)	-	-	(1,110.70)	(1,052.96)	(1,747.34)	(1,463.89)
Financial Assets derecognised during the period (Investment Received)	(59.82)	(59.82)	-	-	(217.74)	(200.57)	(277.56)	(260.39)
<b>Closing Balance</b>	<b>5,82,949.37</b>	<b>930.13</b>	<b>35,252.65</b>	<b>1,737.73</b>	<b>49,127.25</b>	<b>25,300.59</b>	<b>6,67,329.27</b>	<b>27,968.45</b>

\*including impairment loss allowance on LoC

(₹ in crore)

FY 2018-19	Stage I		Stage II		Stage III		Total	
	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*
<b>Opening Balance</b>	<b>4,41,118.81</b>	<b>3,231.49</b>	<b>33,365.48</b>	<b>2,364.59</b>	<b>43,995.23</b>	<b>22,926.55</b>	<b>5,18,479.52</b>	<b>28,522.63</b>
Transfer to Stage I	19,767.81	937.39	(18,950.91)	(297.35)	(816.90)	(1,007.77)	-	(367.73)
Transfer to Stage II	(8,077.82)	(15.22)	9,303.60	382.95	(1,225.78)	-	-	367.73
Transfer to Stage III	(2,763.00)	(625.75)	(5,821.75)	(776.24)	8,584.75	1,401.99	-	-
Net Change in Principal/ECL during the year	9,110.28	(2,211.67)	(991.23)	25.65	(448.08)	1,592.03	7,670.97	(593.99)
New financial assets originated	99,210.53	144.99	253.82	22.60	-	-	99,464.35	167.59

Derecognised financial assets (loans repaid)	(26,259.35)	(72.94)	(3,278.41)	(145.40)	(200.47)	(12.21)	(29,738.23)	(230.55)
<b>Closing Balance</b>	<b>5,32,107.25</b>	<b>1,388.28</b>	<b>13,880.61</b>	<b>1,576.79</b>	<b>49,888.75</b>	<b>24,900.60</b>	<b>5,95,876.61</b>	<b>27,865.68</b>

\*including impairment loss allowance on LoC

#### 41.2.1.7. Movement of Stage III accounts:

The following tables explain the changes in credit impaired assets and the corresponding impairment loss allowance in respect of PFC & subsidiary RECL between the beginning and the end of the reporting period

				(₹ in crore)	
Sr. No.	Description		As at 31.03.2020	As at 31.03.2019	
(i)	Net Stage III accounts to Gross Loans (%)		3.57%	4.19%	
(ii)	Net Stage III accounts to Net Loans (%)		3.71%	4.38%	
			<b>FY 2019-20</b>	<b>FY 2018-19</b>	
(iii)	Movement of Stage III (Gross)				
	(a)	Opening balance	49,888.75	43,995.23	
	(b)	Additions during the year	3,083.31	8,421.73	
	(c)	Reductions/ write offs during the year	(3,844.80)	(2,528.21)	
	(d)	<b>Closing balance</b>	<b>49,127.26</b>	<b>49,888.75</b>	
(iv)	Movement of Net Stage III				
	(a)	Opening balance	24,988.15	21,068.68	
	(b)	Additions during the year	779.90	5,021.61	
	(c)	Reductions/ write offs during the year	(1,941.38)	(1,102.14)	
	(d)	<b>Closing balance</b>	<b>23,826.67</b>	<b>24,988.15</b>	
(v)	Movement of impairment loss allowance on Stage III				
	(a)	Opening balance	24,900.60	22,926.55	
	(b)	Provisions made during the year	2,303.41	3,400.12	
	(c)	Write-off / write-back of excess provisions	(1,903.42)	(1,426.07)	
	(d)	<b>Closing balance</b>	<b>25,300.59</b>	<b>24,900.60</b>	

#### 41.2.1.8. Percentage of gross Stage III to gross loans – sector wise in respect of PFC & RECL

Description	As at 31.03.2020	As at 31.03.2019
Power Sector	7.36%	8.37%

#### 41.2.1.9. Policy for sale out of amortised cost business

PFC & RECL does not resort to the sale of financial assets, in ordinary course of business. However, the respective companies have approved policies that they may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109.

RECL has also not entered into any transaction of sale/ purchase of credit-impaired assets, except as below:

Particulars	FY 2019-20	FY 2018-19

No. of Accounts Sold	1.00	-
Aggregate Outstanding (₹ in Crore)	236.80	-
Aggregate consideration received (₹ in Crore)	124.13	-

#### 41.2.1.10. Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired

##### A. In respect of PFC

One of the borrowers having outstanding loan of ₹ 1,116.65 crore has obtained an ad-interim order from Hon'ble High Court of Delhi on 22.01.2020 for not taking any coercive measures against it. As at 31.03.2020, PFC holds adequate impairment loss allowance with respect to this loan account and has categorised it into Stage II. Further, interest income is not recognised on the loan during the half year ended 31.03.2020.

##### B. In respect of subsidiary, RECL

One of the borrowers has obtained an ad-interim order from Hon'ble High Court of Madras on 18th September 2015 not to classify the account as Non-Performing Asset. Accordingly, the loan outstanding of the borrower has not been classified as Stage III Asset, even though the overdues are more than 90 days old and the asset is credit impaired. However, RECL has created an adequate provision of ₹ 961.63 crore @ 41.06% of the loan outstanding of ₹ 2,342 crore (As at 31st March 2019 - ₹ 942.67 crore @ 40.95% of loan outstanding of ₹ 2,302 crore) as per Expected Credit Loss (ECL) Methodology as on 31st March 2020 after considering the financial and operational parameters of the project.

#### 41.2.1.11. In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, for calculation of following NPA ratios, credit impaired loans (Stage III) and loans which would have classified as NPA as per IRACP norms have been considered:

##### In respect of PFC

Particulars	As at 31.03.2020
Gross NPA to Gross Loans	8.39%
Net NPA to Net Loans	4.30%

#### 41.2.1.12. Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and Impairment Loss Allowance as per Ind AS 109

##### A. In respect of PFC

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	2,87,255.52	441.06	2,86,814.45	1,322.84	(881.78)
	Stage 2	33,713.58	773.89	32,939.69	238.46	535.43
	Stage 3	5,203.08	2,137.83	3,065.25	1,822.31	315.52
Subtotal		<b>3,26,172.17</b>	<b>3,352.78</b>	<b>3,22,819.39</b>	<b>3,383.61</b>	<b>(30.83)</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	755.11	0.08	755.03	73.78	(73.70)
	Stage 2	6.00	0.01	5.99	0.59	(0.58)



	Stage 3	923.18	520.69	402.49	275.41	245.29
Subtotal		<b>1,684.30</b>	<b>520.78</b>	<b>1,163.52</b>	<b>349.78</b>	<b>171.01</b>
Doubtful - up to 1 year	Stage 1	7.60	0.02	7.57	1.48	(1.46)
1 to 3 years	Stage 1	313.73	0.01	313.72	91.81	(91.80)
Doubtful - up to 1 year	Stage 3	3,755.54	1,274.46	2,481.08	828.34	446.11
1 to 3 years	Stage 3	11,702.63	5,995.02	5,707.62	5,919.65	75.37
More than 3 years	Stage 3	5,018.92	3,399.22	1,619.70	3,578.09	(178.87)
Subtotal for doubtful		<b>20,798.42</b>	<b>10,668.73</b>	<b>10,129.69</b>	<b>10,419.37</b>	<b>249.36</b>
Loss	Stage 3	1,241.27	1,241.27	-	1,241.27	-
Subtotal for NPA		<b>23,723.99</b>	<b>12,430.78</b>	<b>11,293.21</b>	<b>12,010.41</b>	<b>420.37</b>
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	0.49	(0.49)	-	0.49
	Stage 2	-	-	-	-	-
	Stage 3	-	179.98	(179.98)	-	179.98
Subtotal		-	180.47	(180.47)	-	180.47
<b>Total</b>	Stage 1	<b>2,88,331.96</b>	<b>441.67</b>	<b>2,87,890.29</b>	<b>1,489.91</b>	<b>(1,048.24)</b>
	Stage 2	<b>33,719.58</b>	<b>773.90</b>	<b>32,945.68</b>	<b>239.05</b>	<b>534.85</b>
	Stage 3	<b>27,844.62</b>	<b>14,748.46</b>	<b>13,096.16</b>	<b>13,665.06</b>	<b>1,083.40</b>
	<b>Total</b>	<b>3,49,896.16</b>	<b>15,964.03</b>	<b>3,33,932.13</b>	<b>15,394.02</b>	<b>570.01</b>

**B. In respect of subsidiary, RECL**

(₹ in Crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Outstanding amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8) = (5)-(7)
<b>Performing Assets</b>							
Standard	Stage 1	2,98,737.86	3,00,392.16	480.08	2,99,912.08	1,779.27	(1299.19)
	Stage 2	2,431.27	2,431.83	963.83	1,468.00	702.28	261.55
Subtotal		<b>3,01,169.13</b>	<b>3,02,823.99</b>	<b>1,443.91</b>	<b>3,01,380.08</b>	<b>2,481.55</b>	<b>(1037.64)</b>
<b>Non-Performing Assets (NPA)</b>							
Substandard	Stage 3	2,037.61	2,037.61	468.91	1,568.70	203.76	265.15
Subtotal		<b>2,037.61</b>	<b>2,037.61</b>	<b>468.91</b>	<b>1,568.70</b>	<b>203.76</b>	<b>265.15</b>
Doubtful - up to 1 year	Stage 3	3,973.02	3,973.02	1,646.55	2,326.47	1,282.92	363.63
1 to 3 years	Stage 3	11,276.57	11,276.57	5,724.26	5,552.31	6,024.78	(300.52)
More than 3 years	Stage	3,951.13	3,951.13	2,695.19	1,255.94	2,787.48	-92.29

	3						
Subtotal for doubtful		19,200.72	19,200.72	10,066.00	9,134.72	10,095.18	(29.18)
Loss	Stage 3	17.22	17.22	17.22	-	17.22	-
Subtotal for NPA		21,255.55	21,255.55	10,552.13	10,703.42	10,316.16	235.97
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 3	959.67	959.67	8.38	951.29	-	8.38
Subtotal		959.67	959.67	8.38	951.29	-	8.38
<b>Total</b>	Stage 1	2,99,697.53	3,01,351.83	488.46	3,00,863.37	1,779.27	(1290.81)
	Stage 2	2,431.27	2,431.83	963.83	1,468.00	702.28	261.55
	Stage 3	21,255.55	21,255.55	10,552.13	10,703.42	10,316.16	235.97
	<b>Total</b>	<b>3,23,384.35</b>	<b>3,25,039.21</b>	<b>12,004.42</b>	<b>3,13,034.79</b>	<b>12,797.71</b>	<b>(793.29)</b>

The difference between the impairment allowance under Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI is appropriated to "Impairment Reserve"

#### 41.2.1.13. Expected Credit Loss for Trade Receivables

##### A. In respect of subsidiary, RECL

RECL provides for lifetime credit losses in respect of trade receivables of RECPDCL, one of the subsidiaries of RECL using simplified approach under ECL method

(₹ in Crore)

Particulars	Less than 1 year	1 year- 2 year	2 year- 3 year	More than 3 year	Total
<b>As at 31st March 2020</b>					
Gross carrying value	70.93	42.14	9.86	33.60	156.53
Expected loss rate	14.70%	25.20%	50.00%	100.00%	38.06%
Expected credit loss (provision)	10.43	10.62	4.93	33.60	59.58
Carrying amount (net of impairment)	60.50	31.52	4.93	-	96.95
<b>As at 31st March 2019</b>					
Gross carrying value	94.13	31.52	3.37	23.83	152.85
Expected loss rate	10.36%	8.76%	50.15%	100.00%	24.88%
Expected credit loss (provision)	9.75	2.76	1.69	23.83	38.03
Carrying amount (net of impairment)	84.38	28.76	1.68	-	114.82

RECPDCL assumes significant increase in credit risk on Trade Receivables outstanding for more than 1 year.

In case of RECTPCL, there is no history of losses and expected losses, hence RECTPCL has not prepared any general provisions in the current year. The impairment provisions as at 31 March 2020 represents impairment provision on trade receivables created over specific assets rather than a general approach, due to some delay

expected from recoveries of certain projects from a debtor JKPDD. The same delay is not originated from the date of recognition, but developed during the due course of operations. RECTPCL has created impairment loss allowance against the following trade receivables during the year:

(₹ in Crore)

Particulars	As at March 31, 2020		
	Gross Trade Receivables	Impairment Loss allowance	Net Trade Receivables
JKPDD-UDAY	4.98	0.97	4.01
JKPDD-PMA	4.78	0.92	3.86
JKPDD-PIA	7.08	1.34	5.74
<b>Total</b>	<b>16.84</b>	<b>3.23</b>	<b>13.61</b>

Impairment loss allowance as at 31st March, 2019 is Nil

As at 31st March 2020, other trade receivables included in the financial statements of RECTPCL for which there is no Expected Credit Loss amounts to ₹ 3.93 crore (₹ 22.90 crore as on 31.03.2019)

#### B. In respect of subsidiary PFCCL

Concentration of credit risk with respect to trade receivables are limited, due to PFCCL's customer base comprises, mainly state electricity boards owned by state governments and other government owned enterprises. PFCCL's historical experience of collecting receivables is that credit risk is low.

Subsequent to initial recognition, PFCCL recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties. ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

#### Ageing analysis of Trade receivables is as follows:

(₹ in Crore)

Particulars	0 to 1 year	1 to 2 year	More than 2 years	Total
Gross carrying amount as at 31 March 2020	25.78	1.58	5.65	33.02
Gross carrying amount as at 31 March 2019	29.61	0.06	6.68	36.35

#### Movement in the expected credit loss allowance

(₹ in Crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	6.71	7.22
-Impairment allowance reversal	0.27	1.12
-Impairment losses recognised	-	0.61
<b>Balance at the end of the year</b>	<b>6.44</b>	<b>6.71</b>

#### 41.2.2 Liquidity Risk

Liquidity risk is the risk that the Group doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

#### A. In respect of PFC,

In order to effectively manage liquidity risk, PFC endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to PFC's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the PFC's liquidity position is determined keeping in view the following factors:

- Current liquidity position;

- Anticipated future funding needs
- Present and future earning capacity; and
- Available sources of funds.

PFC manages its day to day liquidity to ensure that PFC has sufficient liquidity to meet its financial obligation as & when due. The long term liquidity is managed keeping in view the long term fund position and the market factors. This is in line with the Board approved framework and breaches, if any, are to be reported to the Board of Directors. PFC has never defaulted in servicing of its borrowings.

Further, for overall liquidity monitoring and supervision, PFC has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities. The mis-matches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

- (i) The following table analyses the maturity pattern of items of financial liabilities by remaining maturity of contractual principal on an undiscounted basis:

(₹ in crore)

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
<b>As at 31.03.2020</b>									
Domestic Borrowings	8,046.86	5,988.50	10,845.00	17,351.67	5,305.25	57,474.09	60,813.03	90,071.03	<b>2,55,895.43</b>
Foreign Currency Borrowings	5.40	-	6.09	1,130.79	2,156.10	11,493.88	10,231.67	22,676.86	<b>47,700.79</b>
<b>As at 31.03.2019</b>									
Domestic Borrowings	21,785.18	4,915.00	7,495.20	10,292.05	19,088.10	76,608.05	32,730.60	87,160.38	<b>2,60,074.56</b>
Foreign Currency Borrowings	696.5	-	2,080.35	-	3,468.40	4,971.67	9,235.95	8,373.99	<b>28,826.86</b>

In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

- (ii) The following table analyses the maturity pattern of Derivative financial liabilities:

(₹ in crore)

Particulars	Upto 1 year	1 – 5 years	More than 5 years	Total
<b>As at 31.03.2020</b>				
Forward	20.23	-	-	<b>20.23</b>
Option/ swaps	36.17	543.42	-	<b>579.59</b>
<b>Total</b>				<b>599.82</b>
<b>As at 31.03.2019</b>				
Forward	86.75	148.70	-	<b>235.45</b>
Option/ swaps	1.89	268.25	-	<b>270.14</b>
<b>Total</b>				<b>505.59</b>

The above table details PFC's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparties. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

- (iii) PFC has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, PFC has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time.

The Company has access to the following undrawn borrowing facilities:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
CC/ OD/ LoC / WCDL limits	5,270.00	6,950.00

#### B. In respect of subsidiary, RECL

RECL manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations. RECL has put in place an effective Asset Liability Management System and has also constituted an Asset Liability Management Committee (“ALCO”) which monitors the liquidity risk with the help of liquidity gap analysis.

RECL maintains adequate bank balances, short term investments that are readily convertible into cash and adequate borrowing and overdraft facilities by continuously monitoring the forecast and actual cash flows.

#### (i) Maturity Pattern of Future Undiscounted Cash Flows

The cash flows towards items of financial assets and liabilities (representing future undiscounted cash flows towards principal and interest) are as under:

(₹ in crore)

As at 31.03.2020	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
<b>Rupee Borrowings</b>									
Debt Securities									
- Principal	463.40	503.64	5,940.51	12,739.42	19,109.00	57,825.05	36,677.47	58,147.32	<b>1,91,405.81</b>
- Interest	622.04	937.01	2,166.66	3,488.47	7,032.41	21,092.29	14,197.97	19,934.11	<b>69,470.96</b>
Other Borrowings									
- Principal	505.06	600.06	500.06	2,160.05	1,567.16	11,454.33	5,820.02	10,050.02	<b>32,656.76</b>
- Interest	342.74	130.49	352.45	383.51	1,107.43	3,565.31	2,027.49	3,708.64	<b>11,618.06</b>
Subordinated Liabilities									
- Principal	-	-	-	-	-	-	2,500.00	2,151.20	<b>4,651.20</b>
- Interest	-	201.50	-	-	192.96	788.93	587.95	772.38	<b>2,543.72</b>
<b>Foreign Currency Borrowings</b>									
Debt Securities									
- Principal	-	-	-	-	3,015.44	-	13,946.39	5,653.95	<b>22,615.78</b>
- Interest	-	138.14	112.53	200.74	453.70	1,620.81	1,261.85	642.18	<b>4,429.95</b>
Other Borrowings									
- Principal	-	565.39	609.10	4,013.52	8,505.00	6,642.72	7,812.60	587.58	<b>28,735.91</b>
- Interest	45.09	36.08	46.93	223.97	236.64	518.73	201.15	17.93	<b>1,326.52</b>
<b>Derivative Liabilities :</b>									
Interest rate swaps	-	-	-	0.00	58.63	190.17	337.26	0.00	<b>586.06</b>
Others -									
Reverse cross currency swap	-	-	-	-	-	-	75.15	664.52	<b>739.67</b>

(₹ in crore)

As at 31.03.2019	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
<b>Rupee Borrowings</b>									
Debt Securities									
- Principal	3,256.39	525.21	2,294.33	9,272.90	20,218.27	65,194.54	25,107.93	49,187.62	<b>1,75,057.19</b>

- Interest	484.75	912.75	1,840.88	2,754.00	6,877.86	19,633.29	11,001.43	13,288.00	56,792.96
Other Borrowings									
- Principal	-	350.00	500.00	850.00	200.01	4,257.52	13,405.02	5,187.59	24,750.14
- Interest	133.77	129.71	355.81	388.00	975.00	3,673.00	2,176.00	2,055.00	9,886.29
Subordinated Liabilities									
- Principal	-	-	-	-	-	-	2,500.00	2,151.20	4,651.20
- Interest	-	201.50	-	-	189.26	782.00	782.00	945.00	2,899.76
<b>Foreign Currency Borrowings</b>									
Debt Securities									
- Principal	-	-	-	-	-	2,766.85	4,841.99	5,187.85	12,796.69
- Interest	-	126.06	42.33	108.00	279.00	1,052.00	1,281.00	807.00	3,695.39
Other Borrowings									
- Principal	-	1,729.28	71.11	1,058.63	2,444.00	10,423.28	6,234.49	-	21,960.79
- Interest	43.40	54.77	42.07	229.00	290.00	734.00	278.00	-	1,671.24
<b>Derivative Liabilities :</b>	-	-	-						
Interest rate swaps	-	-	-	0.59	6.26	10.19	110.01	3.11	130.16
Currency swaps	-	-	-	-	-	0.41	-	-	0.41
Forward Contracts	10.26	-	-	-	-	-	-	-	10.26
Others -	-	-	-	-	-	-	-	-	-
Seagull Option	-	-	-	0.37	18.20	-	-	-	18.57

Bonds with put & call option have been shown considering the earliest exercise date. The liquidity analysis for derivative financial liabilities is based on fair values of the derivative contracts and the maturity buckets have been derived on the basis of the remaining tenor of the respective derivative instrument.

- (ii) Significant cash flows required for financial liabilities shall be funded through the undiscounted cash flows (principal and interest) from loans as below:

Particulars	(₹ in crore)								
	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
<b>As at 31.03.2020</b>									
- Principal	590.00	306.00	3,638.03	7,626.38	15,889.84	63,791.10	55,014.93	1,63,572.36	3,10,428.64
- Interest	613.00	250.00	6,103.36	7,819.74	14,756.16	51,025.65	38,311.76	71,028.36	1,89,908.03
<b>As at 31.03.2019</b>									
- Principal	1,654.88	1,316.82	3,073.31	7,365.12	13,781.11	55,904.77	50,995.33	1,35,620.42	2,69,711.76
- Interest	866.67	684.94	5,324.18	6,853.48	12,557.11	43,097.02	31,940.32	53,720.12	1,55,043.84

The principal cash flows relating to Stage III assets, net of Expected Credit Loss have been considered in over 5 years bucket irrespective of the maturity date.

**(iii) Financing arrangements**

RECL had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Expiring within one year (cash credit and other facilities)		
- Floating Rate	8,780.00	11,440.00
Expiring beyond one year (loans/ borrowings)		
- Floating Rate	497.82	1,577.11

**C. In respect of subsidiary PFCL,**

PFCL maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2020 and 31 March 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

**41.2.3 Market Risk – Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

**41.2.3.1.** The Company and its subsidiary, RECL is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the foreign currency denominated borrowings of these companies is as follows:

Description	As at 31.03.2020		As at 31.03.2019	
	Creore in respective currency	₹ in Creore	Creore in respective currency	₹ in Creore
<b>USD Loans</b>	<b>1,230.25</b>	<b>92,743.53</b>	<b>844.20</b>	<b>58,388.34</b>
- Hedged	612.00	46,136.17	577.00	39,907.94
- Unhedged	618.25	46,607.36	267.20	18,480.40
<b>Euro Loans</b>	<b>6.64</b>	<b>550.95</b>	<b>8.62</b>	<b>669.04</b>
- Hedged	2.97	246.69	4.80	373.00
- Unhedged	3.67	304.26	3.82	296.04
<b>JPY Loans</b>	<b>7,720.32</b>	<b>5,377.20</b>	<b>7,250.76</b>	<b>4,527.02</b>
- Hedged	2,519.05	1,754.51	2,059.05	1,286.33
- Unhedged	5,201.27	3,622.69	5,191.71	3,240.69
<b>SGD Loans</b>	<b>7.21</b>	<b>380.80</b>	-	-
- Hedged	7.21	380.80	-	-
- Unhedged	-	-	-	-
<b>Total</b>		<b>99,052.48</b>		<b>63,584.40</b>

**41.2.3.2. Foreign currency risk monitoring and management**

**A. In respect of PFC**

PFC has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organization for management of associated risks.

PFC enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per CRM policy, a system for reporting and monitoring of risks is in place wherein Risk Management Committee (RMC), consisting of senior executives of PFC, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the Management. Parameters like hedging ratio, un-hedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management.

The foreign currency monetary items are translated at prevailing rate at the year-end as below in respect of PFC:

Exchange Rates	As at 31.03.2020	As at 31.03.2019
----------------	------------------	------------------

USD / INR	75.3859	69.1550
Euro / INR	83.0496	77.6725
JPY / INR	0.6965	0.6242

#### B. In respect of subsidiary, RECL

RECL has a board-approved Risk Management Policy which inter-alia aims to manage risks associated with foreign currency borrowings. Parameters like hedge ratio, un-hedged exposure, marked-to-market position, exposure limit with banks etc. are monitored as a part of foreign exchange risk and interest rate risk management. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk and interest risk that it is exposed to on account of foreign currency loan, including debt securities. The purpose of the policy is to provide a framework to the Company for management of its foreign currency risk and interest rate risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD, Director (Finance), Director (Technical), Executive Directors and General Managers from Finance and Operating Divisions as its members. ALCO monitors foreign currency risk with exchange rate and interest rate managed through various derivative instruments. The Company enters into various derivative transactions to cover exchange rate through various instruments like foreign currency forwards contracts, currency options, principal only swaps and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

The foreign currency monetary items are translated at prevailing rate at the year-end as below in respect of RECL:

Exchange Rates	As at 31.03.2020	As at 31.03.2019
USD / INR	75.3859	69.1713
Euro / INR	83.0496	77.7024
JPY / INR	0.6965	0.6252
SGD / INR	52.8342	51.1422

#### 41.2.3.3. Foreign Currency Sensitivity Analysis

The table below represents the impact on group's total equity (+ Gain / (Loss) for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

Foreign Liabilities	Currency	As at 31.03.2020		As at 31.03.2019	
		Decrease	Increase	Decrease	Increase
USD		2,091.12	(2,091.12)	747.57	(747.57)
Euro		12.56	(12.56)	11.35	(11.35)
JPY		180.14	(180.14)	160.39	(160.39)
SGD		-	-	-	-
<b>Total</b>		<b>2,283.82</b>	<b>(2,283.82)</b>	<b>919.31</b>	<b>(919.31)</b>

(₹ in crore)

#### 41.2.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates.

##### A. In respect of PFC

- (i) Interest rate risk is managed with the objective to control market risk exposure while optimizing the return. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity



statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, PFC reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by PFC through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc.

## (ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 73.08 crore. (As at 31.03.2019 (+/-) ₹ 70.00 crore)

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

### B. In respect of subsidiary, RECL

- (i) RECL manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates.

The table below shows the overall exposure of RECL to interest rate risk on the floating rate liabilities, along with the bifurcation under hedged/ un-hedged category as at 31st March 2020 is as under:

(Foreign Currency & INR Equivalent in ₹ crore)

Currency	As at 31.03.2020			As at 31.03.2019		
	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure	Floating Interest Rate Exposure	Hedged through Derivatives	Unhedged Exposure
INR Borrowings	19,899.78	-	19,899.78	19,550.00	-	19,550.00
USD \$	324.19	283.00	41.19	298.00	200.50	97.50
INR Equivalent	24,439.81	21,334.21	3,105.60	20,613.05	13,868.85	6,744.20
JPY ¥	1,032.71	1,032.71	-	1,032.71	1,032.71	-
INR Equivalent	719.28	719.28	-	645.65	645.65	-
SGD \$	7.20	7.20	-	-	-	-
INR Equivalent	380.83	380.83	-	-	-	-
<b>Total INR Equivalent</b>	<b>45,439.70</b>	<b>22,434.32</b>	<b>23,005.38</b>	<b>40,808.70</b>	<b>14,514.50</b>	<b>26,294.20</b>

RECL's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/10 year reset option with the borrower. RECL reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, RECL charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

RECL is exposed to interest rate risk on following Loan Assets which are at semi-fixed rates:

(₹ in crore)

Description	As at 31.03.2020	As at 31.03.2019
Rupee Loans	3,12,065.92	2,79,021.68

## (ii) Sensitivity Analysis

The table below represents the impact on P&L (Gain / (Loss)) for 50 basis points increase or decrease in interest rate on RECL's floating rate assets and liabilities on the unhedged exposures:

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Increase	(Decrease)	Increase	(Decrease)
Floating Rate Loan Liabilities	(86.08)	86.08	(85.53)	85.53
Floating/ semi-fixed Rate Loan Assets	1,167.63	(1,167.63)	907.60	(907.60)

\*Holding all other variables constant

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

### 41.2.5 Market Risk - Price risk

- (i) The Group is exposed to price risks arising from investments in listed equity shares and units of venture capital funds. Refer Note 13 'Investments' for Group's exposure to the same. The Group's equity investments are held for strategic rather than trading purposes.

## (ii) Sensitivity Analysis

The table below represents the impact on consolidated P&L and OCI for 5% increase or decrease in the respective prices on Group's equity investments, outside the group and units of venture capital funds:

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	2.22	(2.22)	-	-
Impact on OCI	61.48	(61.48)	83.82	(83.82)

### 41.3 Hedge Accounting

Derivatives are measured at FVTPL unless designated under Hedge Accounting relationship. The Group uses combination of Principal only Swaps, Foreign Currency Options Structures, Forward Contracts, Cross Currency Swap and Interest Rate swaps to hedge its exposure to foreign currency and interest rate risk. For option contracts, the Group designates only the intrinsic value of option contracts as a hedged item by excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. The time value of the options at the inception of the hedging relationship is reclassified to profit or loss on a straight-line basis.

(i) The table below provides Movement in Cash Flow Hedge Reserve for PFC and subsidiary RECL

(₹ in Crore)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
1	Cash flow hedge reserve at the beginning (Gross of Tax)	(77.08)	-
2	Hedging gains/ loss recognised in OCI	704.39	(163.7)
3	Amount reclassified from OCI to P&L*	1,053.25	(86.61)
4	Effective portion of gain/(loss) on hedging instrument (2-3)	(348.86)	(77.09)
5	Cash flow hedge reserve at the end (1+4)	(425.94)	(77.09)
6	Cash flow hedge reserve at the end (net of tax)	(318.74)	(50.15)
	- attributable to the owner	(211.65)	(50.15)
	- attributable to the non-controlling interests	(107.09)	

\* Forms part of line item 'Net Translation/ Transaction Exchange Gain/ Loss' ₹ 1059.36 Cr. for FY 2019-20 (₹ (86.63) Cr. for FY 2018-19) and 'Finance cost' ₹ (6.11) Cr. (₹ 0.02 Cr. for FY 2018-19) in the Consolidated Statement of Profit and Loss

(ii) The table below provides Movement in Cost of Hedging Reserve for PFC and subsidiary RECL

(₹ in Crore)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
1	<b>Opening Balance</b>	-	-
2	Add: Change in deferred time value of foreign currency option structures	(382.41)	-
3	Less: Amortisation of time value	108.80	-
4	Less: Deferred tax relating to above (net)	68.86	-
5	<b>Closing Balance</b>	<b>(204.75)</b>	-
	- attributable to the owner	(107.76)	-
	- attributable to the non-controlling interests	(56.71)	-

A. In respect of PFC

(i) Hedge Effectiveness

By critical terms matching method (where principal terms of the hedging instrument and the hedged item are same), PFC ensures that the hedges are highly effective i.e. hedge ratio is nearly 100% and the same is re-assessed at each reporting date.

(ii) Details of hedging instrument designating as Cash flow hedge

Sr. No.	Particulars	Nominal Amount (₹ in Crore)	Carrying Amount		Date of maturity	Weighted Average Rate / Strike Price
			Assets (₹ in Crore)	Liabilities (₹ in Crore)		
1.	POS	1,884.65	120.04	-	26.09.2023	4.12%
2.	POS	1,884.65	141.60	-	28.06.2022	4.53%
3.	POS	2,261.58	166.47	-	13.09.2024	4.43%
4.	IRS	1,884.65	-	183.34	26.09.2023	3.15%
5.	IRS	1,884.65	-	50.23	28.06.2022	1.76%

## (iii) Profile of timing of nominal amount of hedging instrument

(₹ in crore)

Description (including derivative)	As at 31.03.2020	As at 31.03.2019
<b>POS</b>		
Upto 1 year	-	-
1 – 5 years	6,030.88	1,884.65
More than 5 years	-	-
<b>Sub Total (A)</b>	<b>6,030.88</b>	<b>1,884.65</b>
<b>IRS</b>		
Upto 1 year	-	-
1 – 5 years	3,769.30	1,884.65
More than 5 years	-	-
<b>Sub Total (B)</b>	<b>3,769.30</b>	<b>1,884.65</b>
<b>Total (A+B)</b>	<b>9,800.18</b>	<b>3,769.30</b>

**B. In respect of subsidiary, RECL**

RECL has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items. Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. RECL applies the effectiveness testing strategies by analysing the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method for option structures.

**(i) Effects of hedge accounting on balance sheet as at 31.03.2020**

(₹ in Crore)

Type of hedge and risks	Notional Amt (in Mln)	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>Cash flow hedge</b>								
<b>Foreign exchange and interest rate risk</b>								
<b>(i) Seagull Structure</b>	USD 141.00	1,494.84	-	May 2020 - Mar 2025	1:1	71.88	213.14	(213.14)
	JPY 1,032.71	167.37	-	Aug 2023	1:1	0.62	10.3	(10.3)
<b>Call Spread</b>	USD 25.00	97.16	-	Mar 2024	1:1	71.94	81.36	(81.36)
<b>(ii) Cross Currency swaps</b>	USD 100.00	-	(297.86)	Dec 2020- Mar 2025	1:1	3.67%	(175.35)	175.22
	JPY 1,032.71	-	(5.28)	Aug 2023	1:1	0.42%	(1.29)	1.29
	SGD 7.21	2.32	-	Mar 2025	1:1	1.18%	2.32	(2.32)
<b>(iii) Interest rate swaps</b>	USD 126.00	5.24	(134.45)	Jul 2020 - Jul 2024	1:1	2.35%	(185.91)	185.91

#### 41.4 Fair Value Measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability- Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 6.1)	Valuation technique(s) & Key input(s)
		31.03.2020	31.03.2019		
1	Listed Equity Instruments	1,261.51	1,664.04	Level 1	Group's investments in shares of PTC India, NHPC Ltd., Coal India Ltd., HUDCO, Indian Energy Exchange Ltd. Etc. are measured at their respective quoted market price
2	Unlisted Equity Instruments	0.00	0.00	Level 3	Power Exchange India Ltd. – PFC has calculated the value as Nil on the basis of the financial statements of the investee company. Universal Commodity Exchange Ltd. (UCX) – RECL's investment has been carried at nil, as UCX was shut down in 2014, and it cease to exist as a going concern.
3	Optionally Convertible Cumulative Redeemable Preference Shares	145.99	0.00	Level 3	Rattan India Power Limited – Fair value has been calculated on the basis of discounted future cashflows as per terms of agreement.
4	Units of Small Is Beautiful Fund of KSK	12.24	12.36	Level 2	Net asset value (NAV) specified by the SIB fund.
5	Investment in Bonds	2,310.67	2,366.71	Level 3	The Group has made investment in bonds instruments. These bonds are listed on NSE/BSE. In absence of any trading activity in these bonds, quoted price for such bonds is not ascertainable. In absence of market interest rate for similar kind of bonds, the Group has considered the coupon rate as the present market rate and accordingly computed the fair value using the discounted cash flow method. Any increase in the discount rate will result in decrease in fair value and vice-versa.
6	Derivative Financial Instruments			Level 2	The fair value of these contracts is obtained from counterparty banks, who determine it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc.
	- Assets	5,182.27	2,370.56		
	- Liabilities	1,925.55	664.99		

41.4.1 There were no transfers between Level 1 and Level 2 fair value hierarchy in the period.

#### 41.4.2 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities of the group measured at fair value:

(₹ in crore)

Particulars	Unlisted Equity investments	Investment in Bond Instruments	Investment in Unlisted optionally Convertible Cumulative Redeemable Preference Shares
<b>FY 2019-20</b>			
<b>Opening Balance</b>	0.00	2,366.71	-
Net interest income	-	256.06	1.50
Investment made during the year	-	-	127.15
Settlement	-*	(312.10)	-
Fair Value gain/ (loss)		-	17.34
<b>Closing Balance</b>	-	<b>2310.67</b>	<b>145.99</b>
Unrealized gains/ (loss) on balances held at the end of the period	(16.00)	10.67	18.84
<b>FY 2018-19</b>			
<b>Opening Balance</b>	-	<b>2,310.46</b>	-
Net interest income	-	255.85	-
Settlement	-	(199.60)	-
<b>Closing Balance</b>	-	<b>2,366.71</b>	-
Unrealized gains/ (loss) on balances held at the end of the period	(372.51)	66.71	-

\* Refer Note 13.5

#### 41.4.3 Fair Value of financial assets/ liabilities measured at amortised cost:

(₹ in crore)

Asset/Liability	Fair value hierarchy	As at 31.03.2020		As at 31.03.2019	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value
Loans	3	6,46,196.11	6,44,517.94	5,73,661.28	5,71,316.92
Other financial assets	2	27,462.14	27,467.65	23,712.97	23,719.68
Debt Securities <sup>(a)</sup>	1 / 2	4,41,765.90	4,36,863.38	3,98,352.00	3,96,343.92
Borrowings other than debt securities <sup>(b)</sup>	2	1,40,666.72	1,47,033.71	1,27,007.23	1,27,446.14
Subordinated Liabilities	2	14,130.60	15,167.54	14,128.46	14,155.14

<sup>(a)</sup>Includes listed instruments with Level 1 fair value hierarchy

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

<sup>(b)</sup> Includes foreign currency loans linked to LIBOR and multilateral agencies loans being valued at par.

- (i) The fair value of the above financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available.
- (ii) The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

## 42 Related Party Disclosures

### 42.1 Related Parties:

<b>Associates:</b>			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyur Infra Limited
11	Deoghar Infra Limited	12	Tatiya Andhra Mega Power Limited
13	Chhattisgarh Surguja Power Limited	14	Coastal Maharashtra Mega Power Limited
15	Coastal Karnataka Power Limited	16	Vapi II North Lakhimpur Transmission Limited (through PFCCCL)
17	Karur Transmission Limited (incorporated on 20.11.2019) - (through PFCCCL)	18	Shongtong Karcham-Wangtoo Transmission Limited (under process of Striking off the name of Company from the records of Registrar of Companies) -(through PFCCCL)
19	Bijawar-Vidarbha Transmission Limited (National Committee on Transmission (NCT) has already recommended for closure/de-notification of the scheme/ITP, however, formal gazette notification from MoP is awaited)- (through PFCCCL)	20	Koppal- Narendra Transmission Limited (incorporated on 18.11.2019)- (through PFCCCL)
21	Tanda Transmission Company Limited (under process of Striking off the name of Company from the records of Registrar of Companies)- (through PFCCCL)	22	Bhuj-II Transmission Limited (transferred on 16.10.2019)- (through PFCCCL)
23	Fatehgarh-II Transco Limited (transferred on 14.10.2019)- (through PFCCCL)	24	Bikaner-Khetri Transmission Limited (transferred on 19.09.2019)- (through PFCCCL)
25	Lakadia-Vadodara Transmission Project Limited (transferred on 26.11.2019)- (through PFCCCL)	26	Meerut Simbhavali Transmission Limited (incorporated on 17.06.2019; transferred on 19.12.2019 )- (through PFCCCL)
27	Dumka Transmission Limited (through RECL)	28	Dinchang Transmission Limited (through RECL)
29	Koderma Transmission Limited (through RECL)	30	Chandil Transmission Limited (through RECL)
31	Mandar Transmission Limited (through RECL)	32	Khetri Transco Limited (transferred on 29.08.2019) (through RECL)
33	Bhindguna Transmission Limited (transferred on 11.09.2019) (through RECL)	34	Rampur Sambhal Transco Limited (incorporated on 02.05.2019 and transferred on 12.12.2019) (through RECL)
35	Jam Khambaliya Transco Limited (transferred on 13.11.2019) (through RECL)	36	Udupi Kasagode Transmission Limited (transferred on 12.09.2019) (through RECL)
37	Ajmer Phagi Transco Limited (transferred on 03.10.2019) (through RECL)	38	WRSS XXI (A) Transco Limited (transferred on 14.10.2019) (through RECL)
39	Lakadia Banaskantha Transco Limited (transferred on 13.11.2019) (through RECL)		
<b>Joint Ventures:</b>			
1	Energy Efficiency Services Limited (EESL)	2	Creighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisition Limited (through EESL)
5	Anesco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)
15	EPSL Trigenation Private Limited (through EESL)		
<b>Key Managerial Personnel (KMP):</b>		<b>Designation</b>	
<b>In respect of PFC,</b>			
1	Shri Rajeev Sharma (superannuated on 31.05.2020)	Chairman and Managing Director	
2	Shri Ravinder Singh Dhillon (Director (Projects) from 12.06.2019 till 31.05.2020)	Chairman and Managing Director (w.e.f. 01.06.2020)	
3	Shri N. B. Gupta	Director (Finance)	
4	Shri P.K. Singh	Director (Commercial)	
5	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director (Projects)	
6	Shri Arun Kumar Verma (upto 27.08.2019)	Government Nominee Director	
7	Shri Mritunjay Kumar Narayan (w.e.f. 28.08.2019)	Government Nominee Director	

8	Shri Sitaram Pareek (upto 05.02.2020)	Part Time Non-Official Independent Director	
9	Smt. Gouri Chaudhury	Part Time Non-Official Independent Director	
10	Shri Ram Chandra Mishra (w.e.f. 11.07.2019)	Part Time Non-Official Independent Director	
11	Shri Manohar Balwani	Company Secretary	
<b>In respect of subsidiary RECL</b>			
1	Shri Ajeet Kumar Agarwal (upto 31.05.2020)	Chairman & Managing Director and Director (Finance)	
2	Shri Sanjeev Kumar Gupta	Director (Technical)	
3	Shri Ajoy Choudhary (w.e.f. 01.06.2020)	Director (Finance)	
4	Shri P.K. Singh (w.e.f 18.06.2019)	PFC Nominee Director (Non-executive Director)	
5	Shri Mritunjay Kumar Narayan (w.e.f. 02.09.2019)	Govt. Nominee Director (Non-executive Director)	
6	Shri Arun Kumar Verma (upto 01.09.2019)	Govt. Nominee Director (Non-executive Director)	
7	Dr. Bhagvat Kishanrao (upto 12.03.2020)	Part Time Non-Official Independent Director	
8	Smt. Asha Swarup (upto 08.02.2020)	Part Time Non-Official Independent Director	
9	Shri Aravamudan Krishna (upto 13.11.2019)	Part Time Non-Official Independent Director	
10	Prof. T.T. Ram Mohan (upto 13.11.2019)	Part Time Non-Official Independent Director	
11	Shri J.S. Amitabh	Executive Director & Company Secretary	
<b>In respect of subsidiary PFCL,</b>			
1	Shri Rajeev Sharma (superannuated on 31.05.2020)	Chairman	
2	Shri N. B. Gupta	Director	
3	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director	
4	Shri Ravinder Singh Dhillon (w.e.f. 12.06.2019 upto 31.05.2020) (Chairman w.e.f. 01.06.2020)	Director	
5	Shri P.K. Singh	Director	
6	Shri Yogesh Juneja	Chief Executive Officer	
7	Shri Manish Kumar Agrawal	Company Secretary	
<b>Trusts / Funds under control of PFC</b>			
1	PFC Employees Provident Fund	2	PFC Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Superannuation Medical Fund
<b>Trusts / Funds/ society of subsidiary RECL</b>			
1	REC Retired Employees' Medical Trust	2	REC Employees' Superannuation Trust
3	REC Gratuity Fund	4	REC Limited Contributory Provident Fund Trust
5	REC Foundation		
<b>Others</b>			
1	PTC India Limited		

#### 42.2 Transactions with the Related Parties are as follows:

Inter Group related party transactions with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group related party transactions.

(₹ in crore)

Particulars	During FY 2019-20	During FY 2018-19
<b>Joint Venture</b>		
Others	0.74	0.24
<b>Associates</b>		
Advances to associates	3.59	3.71
Recoveries of advances (including interest) from associates	14.92	-
Interest income on advances to associates	21.12	26.68
Advances received from Associates	8.65	30.62
Interest expenses on advances from associates	5.07	6.14
Income on transfer of associate	59.92	4.22
Others	5.95	6.09
<b>Trusts / Funds/ Foundations of the Group</b>		
Contributions made during the year	39.49	107.61
Others	9.13	129.6



<b>Key managerial personnel</b>		
Short term employee benefits (i)	6.15	7.74
Post-employment benefits (ii)	0.64	0.67
Other long term benefits (iii)	0.33	0.24
<b>Sub Total (i+ii+iii)</b>	<b>7.12</b>	<b>-</b>
Repayment/ Recovery of loans and advances	0.11	0.09
Directors' Sitting Fees	0.33	0.36
Others	0.03	0.02
<b>PTC India Limited</b>		
Dividend received	4.80	-
Others	0.02	0.04

#### 42.3 Outstanding balances with Related Parties are as follows:

Inter Group related party outstanding balances with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group Outstanding balances with related party.

(₹ in crore)		
<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Amount recoverable towards loans &amp; advances (including interest)</b>		
Associates	171.02	209.07
Key managerial personnel	0.84	0.98
Joint Venture	-	0.23
Trusts / Funds under control of the Group	4.21	-
<b>Amount payable towards loans &amp; advances (including interest)</b>		
Associates	169.11	188.20
Key managerial personnel	0.64	1.23
Trusts / Funds under control of the Group	66.08	39.35

#### 42.4 Disclosure in respect of entities under the control of the same government (Government related entities)

Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

Bhartiya Rail Bijlee Company Ltd.	Damodar Valley Corporation
Tehri Hydro Development Corporation	Power Grid Corporation of India Ltd.
Neyveli UP Power Ltd.	Bihar Grid Company Ltd.
Meja Urja Nigam Pvt Ltd.	Coal India Ltd.
Raichur Power Corporation Ltd.	NHPC Ltd.
NTPC Ltd.	Aravali Power Company Pvt Ltd.
NLC Tamil Nadu Power Limited	North East Transmission Company Ltd.
National High Power Test Laboratory Pvt Ltd	Neyveli Lignite Corporation Ltd.
Nabinagar Power Generating Co. Pvt. Ltd.	Singareni Collieries Company Ltd.
Bhilai Electric Supply Company Ltd	NTPC Tamil Nadu Energy Company Ltd.
THDC India Ltd	Patratu Vidut Utpadan Nigam Ltd.
NTPC Vidyut Vyapar Nigam Ltd.	MSTC Ltd.

#### Significant transactions with entities under the control of same government:

(₹ in crore)		
<b>Particulars</b>	<b>During FY 2019-20</b>	<b>During FY 2018-19</b>
Disbursement of loans	4,770.51	8,011.46
Interest received	6,598.77	6,217.62

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, air travel and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

## 42.5 Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration and staff loans to Key Managerial Personnel are in line with the service rules of the respective Companies.
- (iii) The Companies in the Group makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the respective Company's policy.
- (iv) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the respective Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- (v) Outstanding balances of group companies at the year-end are unsecured.

## 43 Employee Benefits

### 43.1 Defined contribution plans:

#### a) Pension

The Companies in the Group pays fixed contribution under the Corporate Sector Model of National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Account (Pension Account) of the employees.

#### b) Provident Fund

The Companies in the Group pays fixed contribution on account of provident fund at prescribed rates to a separate trusts, which invests the funds in permitted securities. These trusts have to ensure a minimum rate of return to the members, as specified by Gol. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Companies in the Group. The Companies in the Group estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

The Group has recognised an expense in the Consolidated Statement of Profit and Loss of ₹ 28.32 Crore (Previous year ₹ 25.69 Crore) towards defined contribution plans.

### 43.2 Defined benefit plans:

#### a) Gratuity

The Companies in the Group have a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Present value of Defined benefit obligation	65.25	68.91
b) Fair Value of Plan Assets	61.14	69.90
c) Net Defined Benefit (Asset)/ Liability (a-b)	4.11	(0.99)

#### Movement in net defined benefit (asset)/ liability

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>68.91</b>	<b>78.16</b>	<b>69.90</b>	<b>72.73</b>	<b>(0.99)</b>	<b>5.43</b>
<b>Included in profit or loss</b>						
Current service Cost	4.05	4.41	-	-	4.05	4.41

Past service cost	-	-	-	-	-	-
Interest cost / income	5.02	6.03	5.41	5.60	(0.39)	0.43
<b>II. Total amount recognised in profit or loss</b>	<b>9.07</b>	<b>10.44</b>	<b>5.41</b>	<b>5.60</b>	<b>3.66</b>	<b>4.84</b>
<b>Included in OCI</b>						
Re-measurement loss/(gain)	-	-	-	-	-	-
Actuarial loss (gain) arising from changes in financial assumptions	4.16	(0.25)	-	-	4.16	(0.25)
Actuarial loss (gain) arising from experience adjustment	(2.33)	(3.50)	-	-	(2.33)	(3.50)
Effect of change in demographic assumptions	-	(2.70)	-	-	-	(2.70)
Return on plan assets excluding interest income	-	-	(0.44)	0.42	0.44	(0.42)
<b>III. Total amount recognised in OCI</b>	<b>1.83</b>	<b>(6.45)</b>	<b>(0.44)</b>	<b>0.42</b>	<b>2.27</b>	<b>(6.87)</b>
<b>IV. Contribution by participants</b>	-	-	-	2.84	-	(2.84)
<b>V. Contribution by employer</b>	-	-	0.82	1.55	(0.82)	(1.55)
<b>VI. Benefits paid</b>	<b>(14.56)</b>	<b>(13.24)</b>	<b>(14.55)</b>	<b>(13.24)</b>	<b>(0.01)</b>	<b>-</b>
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>65.25</b>	<b>68.91</b>	<b>61.14</b>	<b>69.90</b>	<b>4.11</b>	<b>(0.99)</b>

**b) Post-Retirement Medical Scheme (PRMS)**

The Companies in the Group have Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated and deceased employees and their dependent family members. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees. However, any short fall has to be compensated by the respective Company. The Companies in the Group estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
a) Present value of Defined benefit obligation	178.42	164.91
b) Fair Value of Plan Assets	177.71	126.50
c) Net Defined Benefit (Asset)/ Liability (a-b)	0.71	38.41

**Movement in net defined benefit (asset)/ liability**

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>164.91</b>	<b>133.00</b>	<b>126.50</b>	<b>22.20</b>	<b>38.41</b>	<b>110.80</b>
<b>Included in profit or loss</b>						
Current service Cost	4.58	3.40	-	-	4.58	3.40
Past service cost	-	-	-	-	-	-
Interest cost / income	12.48	10.18	9.77	3.00	2.71	7.18
<b>II. Total amount recognised in profit or loss</b>	<b>17.06</b>	<b>13.58</b>	<b>9.77</b>	<b>3.00</b>	<b>7.29</b>	<b>10.58</b>

<b>Included in OCI</b>						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	21.20	(5.87)	-	-	21.20	(5.87)
Actuarial loss (gain) arising from Experience adjustment	(13.53)	33.83	-	-	(13.53)	33.83
Effect of change in demographic assumptions	-	1.64	-	-	-	1.64
Return on plan assets excluding interest income	-	-	4.24	0.09	(4.24)	(0.09)
<b>III. Total amount recognised in OCI</b>	<b>7.67</b>	<b>29.60</b>	<b>4.24</b>	<b>0.09</b>	<b>3.43</b>	<b>29.51</b>
<b>IV. Contribution by participants</b>	-	-	31.81	96.78	(31.81)	(96.78)
<b>V. Contribution by employer</b>	-	-	6.95	6.53	(6.95)	(6.53)
<b>VI. Benefits paid</b>	(11.22)	(11.27)	(1.56)	(2.10)	(9.66)	(9.17)
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>178.42</b>	<b>164.91</b>	<b>177.71</b>	<b>126.50</b>	<b>0.71</b>	<b>38.41</b>

#### c) Economic Rehabilitation Scheme (ERS)

The Companies in the Group have an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Present value of Defined benefit obligation	7.14	5.38

#### Movement in defined benefit (asset)/ liability

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>5.38</b>	<b>5.01</b>
<b>Included in profit or loss</b>		
Current service Cost	0.47	0.52
Past service cost	-	-
Interest cost / income	0.40	0.39
<b>II. Total amount recognised in profit or loss</b>	<b>0.87</b>	<b>0.91</b>
<b>Included in OCI</b>		
Actuarial loss (gain) arising from changes in financial assumptions	0.55	(0.02)
Actuarial loss (gain) arising from Experience adjustment	1.73	0.37
Effect of change in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
<b>III. Total amount recognised in OCI</b>	<b>2.28</b>	<b>0.35</b>
<b>IV. Contribution by participants</b>	-	-
<b>V. Contribution by employers</b>	-	-
<b>VI. Benefits paid</b>	(1.39)	(0.89)
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>7.14</b>	<b>5.38</b>

#### d) Risk exposure

Through its defined benefit plans, the Companies in the Group are exposed to a number of risks, the most significant of which are detailed below:

##### i. Investment risk/ Asset Volatility Risk

Most of the plan asset investments are in government securities, other fixed income securities with high grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market &

macro-economic factors. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

ii. Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

iii. Mortality rate risk/ Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv. Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

e) Plan Assets

The value of plan assets for each category, are as follows:

Particulars	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Cash & Cash Equivalents	5.79	1.67
State/ Central Government Debt Securities	31.33	28.67
Corporate Bonds/ Debentures	164.95	119.95
Others	35.34	44.94
<b>Total</b>	<b>237.41</b>	<b>195.23</b>

- Actual return on plan assets is ₹ 18.99 crore (previous year ₹ 9.02 crore).

f) Significant Actuarial Assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2020 by TransValue Consultants for PFC & RECL. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for actuarial valuation are:-

A. In respect of PFC

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Discount Rate & expected return on plan assets, if funded	6.76%	7.81%	6.76%	7.81%	6.76%	7.81%
Salary Escalation Rate/ Medical inflation rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality Rate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate
Withdrawal rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

**B. In respect of subsidiary, RECL**

Particulars	Gratuity		PRMS		ERS	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Method used	PUCM					
Discount Rate & expected return on plan assets	6.72%	7.71%	6.72%	7.71%	6.72%	7.71%
Future Salary Escalation/medical inflation	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Expected average remaining working lives of employees (years)	15.41	13.12	15.41	13.12	15.41	13.12

**g) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation of PFC & RECL by the amounts shown below:

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)				
- Gratuity	(1.90)	2.16	(1.88)	2.15
- PRMS	(13.21)	14.07	(3.44)	3.84
- ERS	(0.25)	0.29	(0.19)	0.22
Salary Escalation/ Medical inflation Rate (0.50% movement)				
- Gratuity	0.45	(0.40)	0.40	(0.32)
- PRMS	13.17	(12.54)	9.18	(8.56)
- ERS	0.27	(0.23)	0.20	(0.17)
Medical Cost (10% movement)				
- PRMS	18.58	(17.25)	16.49	(16.49)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Group actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Group to manage its risks from prior periods.

**h) Expected maturity analysis of the defined benefit plans in future years**

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Up to 1 year</b>	13.63	14.55	11.74	11.86	1.57	1.07
<b>1 to 5 years</b>	28.96	41.64	71.31	74.89	5.16	4.17
<b>Over 5 years</b>	82.53	79.99	286.01	295.50	8.49	5.71
<b>Total</b>	<b>125.12</b>	<b>136.18</b>	<b>369.06</b>	<b>382.25</b>	<b>15.22</b>	<b>10.95</b>

The table above is drawn on the basis of expected cash flows.

i) Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Gratuity		PRMS	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Expected contribution	7.89	4.24	7.09	43.16

- j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.02 years (as at 31.03.2019: 16.98 years) for PFC and 12.57 years (as at 31.03.2019: 12.76 years) for subsidiary, RECL.

### 43.3 Other long term employee benefits

a) Leave

The companies in the Group provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be en-cashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 19.73 crore (previous year ₹ 17.55 crore) for the year has been made at the year end and debited to the Consolidated Statement of Profit and Loss.

b) Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 4.46 crore for the year (previous year ₹ 3.50 crore) has been made on the basis of actuarial valuation and debited to the Consolidated Statement of Profit and Loss.

- c) In case of RECPDCL and RECTPCL, the Loyalty incentive to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of separation. Expenses amounting to ₹ 0.15 crore (Previous year ₹ 0.18 crore) have been debited to the Consolidated Statement of Profit and Loss on the basis of actuarial valuation.

43.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of PFC's employees working in its wholly-owned subsidiary PFCCCL on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

## 44 Disclosure related to "Income Taxes"

### 44.1 Income tax expense recognised in Consolidated Statement of Profit and Loss:

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
<b>Current Tax expense in relation to:</b>		
Current Year	3004.98	4,182.75
Adjustment of earlier years	83.02	(12.75)
<b>A. Total Current Tax Expense</b>	<b>3,088.00</b>	<b>4,170.00</b>
<b>B. Total Deferred Tax Expense</b>	<b>1,527.42</b>	<b>1,051.76</b>
<b>C. Total Income Tax Expense (A + B)</b>	<b>4,615.42</b>	<b>5,221.76</b>

### 44.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
<b>Deferred Tax Credit</b>		
<b>(A) Items that will not be reclassified to Profit or Loss</b>		
- Re-measurement of Defined Benefit Plans	0.80	8.46
- Net Gain / (Loss) on Fair Value of Equity Instruments	12.39	(0.68)
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted	0.05	-

for using equity method		
<b>(B) Items that will be reclassified to Profit or Loss</b>		
- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	80.27	26.93
- Cost of Hedging Reserve	68.86	-
<b>(C) Total Deferred Tax Credit (A+B)</b>	<b>162.32</b>	<b>34.71</b>

#### 44.3 Reconciliation of tax expense and accounting profit

Reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate:

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
<b>Profit before Tax</b>	<b>14,092.67</b>	<b>17,862.03</b>
Applicable Tax Rate	25.17%	34.944%
<b>Tax using the applicable tax rate</b>	<b>3,546.84</b>	<b>6,241.71</b>
Tax effect of:		
Non-deductible tax expenses	119.18	62.84
Tax exempt income	(334.29)	(66.94)
Deduction u/s 36(1)(viii)	(722.94)	(1,013.90)
Others	(175.86)	13.12
Previous year tax liability	83.02	(12.75)
Change in tax rate*	1,795.36	(2.32)
Effect of eliminations	304.11	-
<b>Total tax expenses in the Consolidated Statement of Profit and Loss</b>	<b>4,615.42</b>	<b>5,221.76</b>

\*Applicable tax rate has decreased from 34.944% to 25.168% in the current financial year as the Companies in the Group has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

#### 44.4 Deductible temporary differences / unused tax losses / unused tax credits carried forward in respect of PFC

(₹ in crore)

Particulars	As at 31.03.2020	Expiry date	As at 31.03.2019	Expiry date
Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised	1.25	31.03.2024	1.25	31.03.2024
	2.54	31.03.2025	2.54	31.03.2025

#### 44.5 Movement in Deferred Tax balances

FY 2019-20

(₹ in crore)

Description	Net balance at 01.04.2019	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2020
<b>(A) Deferred Tax Asset (+)</b>				
(i) Provision for expenses deductible on payment basis under Income Tax Act	41.22	(12.15)	12.47	41.54
(ii) Unamortised income on loans to borrowers	-	(12.04)	-	(12.04)
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	7393.96	(1712.04)	-	5681.92
(iv) Depreciation and amortisation	(1.45)	2.03	-	0.58
(v) Fair value of derivatives (Net)	19.52	281.88	149.13	450.53



(vi) Others	-	20.64	-	20.64
<b>(B) Deferred Tax Liabilities (-)</b>				
(i) Lease income	(66.64)	18.65	-	(47.99)
(ii) Unamortized Exchange Loss (Net)	(538.45)	(275.57)	-	(814.02)
(iii) Financial assets and liabilities measured at amortised cost	(371.51)	118.05	-	(253.46)
(iv) Others	(106.91)	43.13	0.72	(62.39)
<b>Net Deferred Tax liabilities (-) /Assets (+)</b>	<b>6369.74</b>	<b>(1,527.42)</b>	<b>162.32</b>	<b>5,005.31</b>

#### FY 2018-19

(₹ in crore)

Description	Net balance at 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Net balance at 31.03.2019
<b>(A) Deferred Tax Asset (+)</b>				
(i) Provision for expenses deductible on payment basis under Income Tax Act	29.50	10.03	1.69	41.22
(ii) Impairment allowance on Financial instruments in excess of RBDD	7,835.96	(442.00)	-	7393.96
(iii) Depreciation and amortization	(2.25)	0.80	-	(1.45)
(iv) Fair value of derivatives (Net)	10.91	(18.32)	26.93	19.52
<b>(B) Deferred Tax Liabilities (-)</b>				
(i) Lease income	(66.64)	-	-	(66.64)
(ii) Unamortized Exchange Loss (Net)	(165.76)	(372.69)	-	(538.45)
(iii) Financial assets and liabilities measured at amortised cost	(99.77)	(271.74)	-	(371.51)
(iv) Others	(148.40)	42.17	(0.68)	(106.91)
<b>Net Deferred Tax liabilities (-) /Assets (+)</b>	<b>7,393.55</b>	<b>(1,051.76)</b>	<b>27.94</b>	<b>6369.74</b>

#### 45 Leases

The Group had 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. The Group has recognised 'Right of Use Asset' of ₹ 45.84 crore and 'Lease Liability' of ₹ 17.17 crore with respect to leasehold land. Prepaid rent on leasehold land, which was earlier classified under Other Non-Financial Assets, has been reclassified to Right-of-Use Assets. The impact of this adoption is insignificant on the net profit and EPS for the year ended 31.03.2020. Comparatives as at and for the year ended 31.03.2019 have not been restated.

Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

#### 45.1 The table below shows the movement of lease liabilities during the year

(₹ in crore)

Particulars	As at 31.03.2020
Opening balance	2.76
Additions during the year	14.52
Finance cost accrued during the period	1.22
Payment of lease liabilities	(4.53)
<b>Closing balance</b>	<b>13.96</b>

45.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ in crore)

Particulars	As at 31.03.2020
Upto 1 year	4.7
1-5 years	5.24
More than 5 years	57.83

45.3 In respect of subsidiary RECL

- i. For contracts in place as at 1 April 2019, RECL has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- ii. Instead of performing an impairment review on the right-of-use assets at the date of initial application, RECL has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

46 Dividend income

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Dividend on equity investments designated at FVTOCI		
- Investments held at the end of the year	103.75	67.56
- Investments derecognized during the year	0.66	0.80
<b>Sub-Total</b>	<b>104.41</b>	<b>68.36</b>
Dividend on mutual funds	1.24	8.27
<b>Total</b>	<b>105.65</b>	<b>76.63</b>

47 Net Translation/Transaction Exchange Loss (+)/Gain (-)

(₹ in crore)

Net Translation/Transaction Exchange Loss (+)/Gain (-) on account of	FY 2019-20	FY 2018-19
- Translation of Long term foreign currency monetary item (LTCMI) recognised on or after 01.04.2018	3,632.64	(248.01)
- Amortisation of Foreign Currency Monetary Item Translation Difference Account created on LTCMI recognised upto 31.03.2018	1,358.68	1,289.45
<b>Total</b>	<b>4,991.32</b>	<b>1,041.44</b>

(Refer Note 6.17)

48 Corporate Social Responsibility – Amount spent during the year on CSR activities

(₹ in crore)

Sr. No.	Particulars	FY 2019-20			FY 2018-19		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(ia)	Sanitation / Waste Management / Drinking water	67.26	-	67.26	9.95	0.06	10.01
(ib)	Education / Vocational Skill development	64.83	-	64.83	17.07	-	17.07
(ic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	53.70	-	53.70	116.72	-	116.72

(iid)	Sports	0.02	-	0.02	0.06	-	0.06
(iie)	Others	61.84	-	61.84	52.67	-	52.67
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	8.79	-	8.79	9.85	-	9.85
(iig)	Contribution to PM CARES Fund	100.00	-	100.00	-	-	-
	<b>Total</b>	<b>356.44</b>	<b>-</b>	<b>356.44</b>	<b>206.32</b>	<b>0.06</b>	<b>206.38</b>

#### 49 Contingent Liabilities and Commitments:

(₹ in crore)

Sr. No	Description	As at 31.03.2020	As at 31.03.2019
<b>Contingent Liabilities</b>			
(i)	Guarantees <sup>(a)</sup>	81.02	121.49
(ii)	Claims against the Group not acknowledged as debts	0.22	0.08
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,821.78	1,019.06
(iv) <sup>(b)</sup>	- Additional demands raised by the Income Tax Department of earlier years which are being contested.	202.13	153.26
	- Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Companies in the Group. The same are also being contested.	340.40	233.42
(v)	- Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	20.56	1.40
	- Further, the Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	46.31	21.53
(vi)	Bank Guarantees	33.50	29.86
<b>Commitments</b>			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	745.47	792.63
(ii)	Contractual commitments for the acquisition of intangible assets	-	2.82
(iii)	Other Commitments – CSR unspent amount	510.26	478.10
	<b>Total</b>	<b>3801.65</b>	<b>2,853.65</b>

<sup>(a)</sup> Guarantees include default payment guarantee given by the PFC in favour of a borrower company. The amount paid /payable against this guarantee is reimbursable by Government of Madhya Pradesh.

<sup>(b)</sup> During the year, PFC has opted for Vivad Se Vishwas Scheme in respect of pending litigations pertaining to some earlier years under Income Tax Act, 1961. It has paid an additional sum of ₹ 116.90 crore in March 2020 as advance towards disputed tax in respect of appeals filed by Income Tax Department in order to settle departmental appeals under Vivad se Vishwas Scheme.

#### 50 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Principal amount remaining unpaid as at year end	0.15	2.65
Interest due thereon remaining unpaid as at year end	-	0.39
Interest paid by the Group in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006.	0.14	-
Interest accrued and remaining unpaid as at year end.	0.53	0.39

Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-
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#### 51 Disclosure as per Ind AS 33 "Earnings per Share"

Description	FY 2019-20	FY 2018-19
Profit for the period attributable to the owners of the Company used as numerator (basic & diluted) (₹ in crore) :		
- from continuing operations	7,122.13	9,920.86
- from discontinued operations	-	-
- from continuing and discontinued operations	7,122.13	9,920.86
Weighted average number of equity shares used as denominator (basic & diluted)	2,64,00,81,408	2,64,00,81,408
Earning per equity share (basic & diluted), face value ₹ 10 each (₹) :		
- for continuing operations	26.98	37.58
- for discontinued operations	-	-
- for continuing and discontinued operations	26.98	37.58

#### 52 Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest (NCI):

Name of Subsidiary	Principal place of business	Proportion of ownership interests held by NCI		TCI allocated to non-controlling interests (₹ in crore)		Accumulated non-controlling interests (₹ in crore)	
		As at 31.03.2020	As at 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	As at 31.03.2020	As at 31.03.2019
REC Ltd	India	47.37%	47.37%	2,092.79	2,690.71	16,765.57	16,363.02

#### 53 Summarised financial information for Group's subsidiaries that have material non-controlling interests (before intra Group eliminations) :

RECL	As at 31.03.2020	As at 31.03.2019
Financial Assets	3,43,715.01	2,95,153.41
Non-financial assets	3,305.54	3,290.86
Assets classified as held for sale	9.53	9.56
Financial Liabilities	311,442.65	263,702.57
Non-financial Liabilities	190.32	204.84
Liabilities directly associated with assets classified as held for sale	0.68	0.08
Equity attributable to the owners of the Company	18,630.86	18,183.42
Non-controlling interests	16,765.57	16,363.02

Particulars	FY 2019-20	FY 2018-19
Total Revenue	30,007.05	25,431.33
Total Expenses	22,986.21	17,350.84
Profit/(loss) for the year	4,972.27	5,741.38
Profit/(loss) attributable to owners of the Company	2,617.15	3,021.97
Profit/(loss) attributable to the non-controlling interests	2,355.12	2,719.41
Other comprehensive income attributable to owners of the Company	(291.52)	(31.89)

Other comprehensive income attributable to the non-controlling interests	(262.33)	(28.70)
Other comprehensive income for the year	(553.85)	(60.59)
Total comprehensive income attributable to owners of the Company	2,325.63	2,990.08
Total comprehensive income attributable to the non-controlling interests	2,092.79	2,690.71
Total comprehensive income for the year	4,418.42	5,680.79
Dividends paid to non-controlling interests	1,028.97	1,192.61
Net cash inflow(outflow) from operating activities	(32,711.91)	(35,865.80)
Net cash inflow(outflow) from investing activities	121.43	456.77
Net cash inflow(outflow) from financing activities	33,926.20	35,542.59
Net cash inflow(outflow)	1,335.72	133.56

## 54 The Government of India schemes being implemented in the Group

### A. In respect of PFC

#### 54.1. Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) :

PFC is nodal agency for operationalization and associated service for implementation of R – APDRP. Amounts received from Gol under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to PFC. The amount on-lent but not converted in to grants as per applicable guidelines will become payable along-with interest to the Gol on receipt from borrowers. The amount recoverable from borrowers & payable to Gol under R – APDRP scheme stands at ₹ 18,141.20 crore as at 31.03.2020 (₹ 16,507.55 crore as at 31.03.2019).

PFC receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme from MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is 1.7% of likely project outlay under Part A & B of R-APDRP, subject to cap of ₹ 850 crore. Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 357.86 crore as at 31.03.2020 (₹ 329.82 crore as at 31.03.2019).

#### 54.2. Integrated Power Development Scheme (IPDS)

PFC has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, Gol. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of Gol grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS scheme. Amount of GOI grant administered to the eligible utilities till 31.03.2020 is ₹ 12,702.45 crore (₹ 8,083.17 crore as at 31.03.2019). PFC is eligible for nodal agency fee at the rate of 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

### B. In respect of subsidiary RECL

#### 54.3. Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

Government of India has launched a scheme “Pradhan Mantri Sahaj Bijli Har Ghar Yojana” - Saubhagya to achieve universal household electrification in the country. The scheme envisages to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme is ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated RECL as the Nodal agency for operationalization of Saubhagya Scheme.

#### 54.4. Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is the flagship scheme of Government of India covering all aspects of rural power distribution. Under the scheme 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant upto 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of ‘24x7 Power for All’ in the country through the following project components:

- i. Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;
- ii. Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;

- iii. Micro-grid and Off-grid distribution network;
- iv. Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The components at (i) and (ii) of the above scheme will have an estimated outlay of ₹ 43,033 Crore including budgetary support of ₹ 33,453 Crore from Government of India during the entire implementation period. The scheme of RGGVY as approved by CCEA for continuation in 12th and 13th plan have been subsumed in this scheme as a separate Rural Electrification (RE) component.

#### **54.5. National Electricity Fund (NEF)**

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. RECL has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

#### **54.6. J&K Prime Minister's Development Plan (PMDP)**

Government of Jammu & Kashmir, Power Development Department has appointed RECL's subsidiaries i.e. RECPDCL and RECTPCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of distribution work under MDP in J&K state on nomination basis, as per actual cost to be discovered through competitive biddings.

#### **54.7. Urja Mitra and 11 kV Feeder Monitoring**

Ministry of Power has initiated two schemes namely Urja Mitra and 11 kV Feeder Monitoring. Urja Mitra is an initiative which aims to provide information about power outage/cuts /breakdown/shutdown (both planned and unplanned) to the consumers. Feeder Monitoring scheme is to develop a Self-sustained independent web based system for automated 11 kV Rural Feeder Monitoring System through Data Logging of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit. RECTPCL has been appointed as nodal agency for the both the schemes.

### **C. In respect of subsidiary PFCCL**

**54.8.** PFC's subsidiary PFCCL has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines, every bidder is required to deposit with PFCCL the requisite fees of Rs. 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful Bidder(s) will have to pay the fees to PFCCL for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

## **55 Status of Documentation Subsequent to Unbundling of SEBs**

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities.

### **55.1. Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir**

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to

be executed. Pending the execution of such documents, the existing loans are being serviced/ repaid in line with the existing loan agreement.

#### **55.2. Status of documentation subsequent to reorganization of the State of Andhra Pradesh**

Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective Power Utility through a formal gazette notification.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up by the Company and its subsidiary RECL in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the Utilities and the respective portions are being paid by Utilities in Telangana and Andhra Pradesh.

#### **55.3. Additionally in case of subsidiary RECL,**

- i. Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).
- ii. Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and drawls have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.
- iii. Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and drawls have been made, further documentation for these schemes shall be done on Gazette Notification.

**56** Notes 57 to 69 presented below are flowing from RBI master Directions applicable to the NBFCs. Since PFC and its subsidiary, RECL are NBFCs in the Group, the following disclosures contain information with respect to these two companies only.

#### **57 Exposures**

**57.1.** RBI has categorized PFC & RECL as Infrastructure Finance Companies (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12th February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single Group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI has exempted PFC & RECL from applicability of RBI's concentration of credit/investment norms till 31st March, 2022. PFC & RECL continues to follow MoP approved credit concentration norms for these entities.

**57.2.** Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Group:

PFC & RECL has not exceeded applicable prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2019-20 and FY 2018-19.

**57.3.** The Group does not have any exposure to real estate sector. (Previous year – Nil)

57.4. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2020	Amount as at 31.03.2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	16,435.80	16590.62
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances (excluding loans where security creation is under process);	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,628.55	2629.16
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	12.24	12.36
<b>Total Exposure to Capital Market</b>		<b>19,076.59</b>	<b>19,232.14</b>

57.5. Details of financing of parent company products:

PFC does not have a parent company.

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

A. In respect of PFC

(₹ in crore)

Bucket as at 31.03.2020	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Item	
				Assets	Liabilities
Upto 30/31 Days	-	1,529.70	8,046.86	-	5.40
Over 1 Month upto 2 Months	1,519.90	492.70	5,988.50	-	-
Over 2 Months upto 3 Months	-	416.63	10,845.00	-	6.09
Over 3 Months & upto 6 Months	-	3,511.49	17,351.67	-	1,130.79
Over 6 Months & upto 1 Year	-	18,837.19	5,305.25	-	2,156.10
Over 1 Year & upto 3 Years	-	59,187.06	57,474.09	-	11,493.88
Over 3 Years & upto 5 Years	-	56,046.51	60,813.03	-	10,231.67
Over 5 Years	14,953.42	1,90,314.82	90,071.03	-	22,676.86
<b>Total</b>	<b>16,473.32</b>	<b>3,30,336.10</b>	<b>2,55,895.43</b>	-	<b>47,700.79</b>



(₹ in crore)

Bucket as at 31.03.2019	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14,133.64	4,955.46	21,785.18	-	696.50
Over 1 Month upto 2 Months	1,833.07	1,928.13	4,915.00	-	-
Over 2 Months upto 3 Months	-	1,264.76	7,495.20	-	2,080.35
Over 3 Months upto 6 Months	-	9,225.21	10,292.05	-	-
Over 6 Months upto 1 Year	-	16,559.51	19,088.10	-	3,468.40
Over 1 Year & upto 3 Years	-	50,663.28	76,608.05	-	4,971.67
Over 3 Years & upto 5 Years	-	49,879.10	32,730.60	-	9,235.95
Over 5 Years	-	1,65,146.63	87,160.38	23.84	8,373.99
<b>Total</b>	<b>15,966.71</b>	<b>2,99,622.08</b>	<b>2,60,074.56</b>	<b>23.84</b>	<b>28,826.86</b>

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

#### B. In respect of subsidiary RECL

(₹ in crore)

Bucket as at 31.03.2020	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	-	590.00	1,627.25	-	31.38
Over 1 Month upto 2 Months	-	306.00	1,481.02	-	678.49
Over 2 Months upto 3 Months	-	3,638.03	8,416.34	-	678.20
Over 3 Months & upto 6 Months	-	8,565.24	16,948.27	-	4,096.46
Over 6 Months & upto 1 Year	1,501.45	15,889.84	22,701.29	-	11,466.59
Over 1 Year & upto 3 Years	22.93	63,791.10	69,271.03	-	6,567.71
Over 3 Years & upto 5 Years	-	55,014.93	44,960.59	-	21,538.84
Over 5 Years	602.73	1,64,288.36	70,255.12	-	5,571.98
<b>Total</b>	<b>2,127.11</b>	<b>3,12,083.50</b>	<b>2,35,658.91</b>	-	<b>50,629.65</b>

(₹ in crore)

Bucket as at 31.03.2019	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	56.56	1850.88	3,908.90	-	27.10
Over 1 Month upto 2 Months	-	1316.82	1,140.25	-	1,848.36
Over 2 Months upto 3 Months	-	3,401.32	4,145.36	-	99.06
Over 3 Months upto 6 Months	-	7,627.17	11,942.27	-	1,110.68
Over 6 Months upto 1 Year	48.30	13,781.11	22,533.98	-	2,444.00
Over 1 Year & upto 3 Years	1500.00	55,904.77	69,456.88	-	12,890.45
Over 3 Years & upto 5 Years	-	50,995.33	41,012.10	-	11,019.19
Over 5 Years	678.27	1,35,573.52	56,158.89	-	4,511.39
<b>Total</b>	<b>2,283.13</b>	<b>2,70,450.92</b>	<b>2,10,298.63</b>	-	<b>33,950.23</b>

### 59 Penalty Imposed by the Regulator

#### A. In respect of PFC

NSE and BSE vide their letters dated 03.02.2020 have levied fine on PFC for non-compliance in regard to composition of Board of Directors. PFC in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of PFC, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. PFC has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of PFC for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Similar fine was levied in the previous year on the Company.

**B. In respect of subsidiary, RECL**

No penalties have been levied by any regulator during the year ended 31st March 2020 (Previous year Nil).

**60 Credit Ratings****A. In respect of PFC**

(i) Ratings assigned by credit rating agencies as at 31.03.2020 and migration of ratings during the year:

Sr. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

There has been no migration of ratings during the year.

(ii) Long term foreign currency issuer rating assigned to the Company as at 31.03.2020:

Sr. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Standard & Poor (S&P)	BBB-
3.	Moody's	Baa3

**B. In respect of subsidiary, RECL**

Ratings assigned by credit rating agencies and migration of ratings during the year

(i) Domestic Credit Ratings

Sr. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+
4.	India Ratings and Research	IND AAA	IND A1+

(ii) International Credit Ratings

Sr. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Moody's	Baa3

There has been no migration of ratings during the year.

**61 Provisions, Contingencies and Impairment loss allowances debited to Consolidated Statement of Profit and Loss**

Sr. No.	Particulars	(₹ in crore)	
		FY 2019-20	FY 2018-19
1	Impairment loss allowance towards loans, investments and letter of comfort	1,865.76*	(656.95)
2	Impairment loss allowance on other financial instruments	45.07	31.21
3	Impairment loss allowance on investment (other than those in S. No.1)	0.00	0.01
4	Provision made towards Income tax	3,088.00	4,170.00

\*Including write off of loans ₹ 1,368.92 crore

**62 Customer Complaints for FY 2019-20**

No complaints have been received by the companies in the group from their borrowers during the year ended 31.03.2020 (Previous year Nil).

**63 Details of registrations obtained from regulators:**

Sr. No.	Regulator	Particulars	Registration Details	
			PFC	RECL
1.	Ministry of Corporate Affairs	Corporate Identification Number	L65910DL1986GOI024862	L40101DL1969GOI005095
2.	Reserve Bank of India	Registration Number	B- 14.00004	14.000011
3.	Legal Entity Identifier India Ltd/ Global Legal Entity Identifier Foundation (GLEIF)	LEI Number/ LEI Code	3358003Q6D9LIJZ1614	335800B4YRYWAMIJZ374

**64** (a) There are no Overseas Assets held by the Group in the form of Joint Ventures / Subsidiaries abroad.

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

**65 Draw Down from reserves**

Reference may be made to Consolidated Statement of Changes in Equity.

(₹ in crore)

Particulars		Amount as on 31.03.2020		Amount as on 31.03.2019			
		outstanding	overdue	outstanding	overdue		
<b>(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>							
(a)	Bonds : Secured	55,114.95	0.00	63,896.72	0.00		
	: Unsecured	3,99,100.36	0.00	3,32,176.68	0.00		
(b)	(i) Rupee Term Loans	87,637.16	0.00	71,426.57	0.00		
	(ii) Foreign Currency Loans	48,672.38	0.00	42,625.94	0.00		
(c)	Commercial Paper	2,925.00	0.00	17,690.92	0.00		
(d)	Short Term Borrowings	4,794.32	0.00	13,357.45	0.00		
(e)	Finance Lease Obligations	2.12	0.00	0.11	0.00		
<b>Assets Side</b>		<b>Amount Outstanding as on 31.03.2020</b>		<b>Amount Outstanding as on 31.03.2019</b>			
<b>(2) Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>							
(a)	Secured	4,48,171.49		4,04,072.84			
(b)	Unsecured	2,07,277.76		1,80,451.16			
<b>(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>							
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease	99.18		99.89			
<b>(4) Break-up of Investments (Net of Provisions)</b>							
<b>Current Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity	663.35		935.09			
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity	12.50		-			
(b)	Preference	68.34					
<b>Long Term Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity	585.67		728.95			
(ii)	Debentures and Bonds	2,342.77		2,366.71			
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity	504.67		425.88			
(b)	Preference	168.86		-			
(ii)	Debentures and Bonds	-		32.11			
(iii)	Government Securities	0.00		47.16			
(iv)	Units of SIB Fund	12.24		12.36			
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above:</b>							
Category		Amount Net of Provisions (as on 31.03.2020)			Amount Net of Provisions (as on 31.03.2019)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
(a)	Subsidiaries and Associates	-	155.05	155.05	-	196.22	196.22
(b)	Other related parties	0.51	0.33	0.84	0.52	-	0.52
2.	Other than related parties	4,48,270.16	2,07,122.38	6,55,392.54	4,04,172.21	1,80,254.94	5,84,427.15
<b>Total</b>		<b>4,48,270.67</b>	<b>2,07,277.76</b>	<b>6,55,548.43</b>	<b>4,04,172.73</b>	<b>1,80,451.16</b>	<b>5,84,623.89</b>
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>							
Category		As on 31.03.2020		As on 31.03.2019			
		Break up value <sup>5</sup>	Book Value (Net of Provisions)	Break up value <sup>5</sup>	Book Value (Net of Provisions)		
1.	Related Parties						
(a)	Subsidiaries	18,685.88	14,500.45	18,145.15	14,500.70		
(b)	Companies in the same group	547.82	504.72	295.99	246.25		
2.	Other than related parties	3,853.73	3,853.73	2,018.88	2,018.88		
<b>Total</b>		<b>23,087.43</b>	<b>18,858.90</b>	<b>20,460.02</b>	<b>16,765.83</b>		
<b>(7) Other Information</b>							
Particulars		Amount (as on 31.03.2020)		Amount (as on 31.03.2019)			
(i)	Gross Stage III Assets						
(a)	Other than related parties	49,127.25		49,888.75			
(ii)	Net Stage III Assets						
(a)	Other than related parties	23,826.66		25,168.79			
(iii)	Assets acquired in satisfaction of debt (Gross value of	200.60		-			

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

## 67 Disclosures in accordance with RBI guidelines on Liquidity Risk Management

### A. In respect of PFC

(i) Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2020	8	81,440.48	25.70%
As at 31.03.2019	8	67,042.85	22.24%

\*Significant counterparty/significant instrument/product is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

(ii) Top 10 borrowings

Sr. No.	Particulars*	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Borrowings	Amount (₹ crore)	% of Total Borrowings
1	RTL from State Bank of India	8,999.98	2.97%	8,999.98	3.12%
2	RTL from National Small Savings Scheme Fund (NSSF)	7,500.00	2.47%	7,500.00	2.60%
3	RTL from Canara Bank	6,000.00	1.98%	-	-
4	3 95 USD Bonds 2030	5,674.87	1.87%	-	-
5	7 41 Taxable Bond Series 197	5,000.00	1.65%	-	-
6	7 62 Taxable Bond Series 171	5,000.00	1.65%	5,000.00	1.73%
7	8 41 Taxable Bond Series 131 C	5,000.00	1.65%	5,000.00	1.73%
8	8 65 Taxable Bond Series 126	5,000.00	1.65%	5,000.00	1.73%
9	7 93 Taxable Bond Series 193	4,710.50	1.55%	-	-
10	4 50 USD Bonds 2029	4,539.90	1.50%	-	-

\*Based on size of bond issuance / term loans from banks

(iii) Funding Concentration based on significant instrument /product

Sr. No.	Significant instrument /product	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
1	<b>Debt Securities</b>				
	- Infrastructure Bonds	278.63	0.09%	278.63	0.09%
	- Tax Free Bonds	12,275.11	3.87%	12,275.11	4.07%
	- 54EC Capital Gain Tax Exemption Bonds	1,918.54	0.61%	784.10	0.26%
	- Taxable Bonds	1,72,930.24	54.57%	1,67,774.95	55.66%
	- Foreign Currency Notes	27,892.78	8.80%	8,298.60	2.75%
	- Commercial Paper	-	0.00%	9,715.92	3.22%
	<b>Sub-Total (1)</b>	<b>2,15,295.30</b>	<b>68.00%</b>	<b>1,99,127.31</b>	<b>66.06%</b>
2	<b>Borrowings (other than Debt Securities)</b>				
	- Foreign Currency Loans	172.38	0.05%	4,676.17	1.55%
	- Syndicated Foreign Currency Loans	19,635.63	6.20%	15,852.09	5.26%
	- Rupee Term Loan	49,598.98	15.65%	38,703.55	12.84%
	- Rupee Term Loan - Gol	7,500.00	2.37%	7,500.00	2.49%
	- Loan against Term Deposits	-	0.00%	12,737.18	4.23%
	- 'Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	2,038.36	0.64%	620.00	0.21%

	<b>Sub-Total (2)</b>	<b>78,945.35</b>	<b>24.91%</b>	<b>80,088.99</b>	<b>26.57%</b>
3	<b>Subordinated Liabilities</b>	<b>9,211.50</b>	<b>2.91%</b>	<b>9,211.50</b>	<b>3.06%</b>
	<b>Sub-Total (3)</b>	<b>9,211.50</b>	<b>2.91%</b>	<b>9,211.50</b>	<b>3.06%</b>
	<b>Total (1+2+3)</b>	<b>3,03,452.15</b>	<b>95.75%</b>	<b>2,88,427.80</b>	<b>95.68%</b>

(iv) Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
<b>As at 31.03.2020</b>				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	0.67%	0.64%	0.56%
<b>As at 31.03.2019</b>				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	3.37%	3.22%	2.82%
3	Other short-term liabilities	6.19%	5.92%	5.18%

**B. In respect of subsidiary, RECL**

(i) Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
<b>As at 31.03.2020</b>	14	1,25,850.36	40.38%
<b>As at 31.03.2019</b>	16	1,03,251.25	39.12%

\*Significant counterparty/significant instrument/product is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

(ii) Top 10 borrowings

Sr. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Borrowings	Amount (₹ crore)	% of Total Borrowings
1	Term Loan from National Small Savings Fund (NSSF)	10,000.00	3.57%	5,000.00	2.09%
2	54EC- Series XI (2017-18)	9,565.23	3.42%	9,565.23	4.00%
3	Term Loan from State Bank of India	7,299.92	2.61%	7,300.00	3.05%
4	54EC- Series XI (2018-19)	6,651.77	2.38%	5,929.73	2.48%
5	54EC- Series XI (2018-19)	5,759.14	2.06%	-	0.00%
6	Foreign Currency Bonds- US \$700 Mn Bonds	5,277.01	1.88%	4,841.99	2.02%
7	Institutional Bonds- 182nd Series	5,063.00	1.81%	-	0.00%
8	Foreign Currency Bonds- US \$650 Mn Bonds	4,900.08	1.75%	-	0.00%
9	Institutional Bonds- 114th Series	4,300.00	1.54%	4,300.00	1.80%
10	Institutional Bonds- 105th Series	3,922.20	1.40%	3,922.20	1.64%

(iii) Funding Concentration based on significant instrument /product

Sr. No.	Significant instrument /product	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
1	<b>Debt Securities</b>				
	Institutional Bonds	1,52,120.20	48.81%	1,29,273.30	48.98%
	Foreign Currency Bonds	22,615.78	7.26%	12,796.69	4.85%

	54EC Capital Gain Tax	22,376.33	7.18%	23,879.92	9.05%
	Tax Free Bonds	12,602.97	4.04%	12,577.97	4.77%
	<b>Sub-Total (1)</b>	<b>2,09,715.28</b>	<b>67.30%</b>	<b>1,78,527.88</b>	<b>67.65%</b>
2	<b>Borrowings (other than Debt Securities)</b>				
	Foreign Currency Borrowings	21,762.71	6.98%	17,637.62	6.68%
	Term Loans from Banks	18,899.78	6.06%	18,550.00	7.03%
	Term Loans from Govt. of India	10,000.00	3.21%	5,000.00	1.89%
	FCNR (B) Loans	6,973.20	2.24%	4,323.20	1.64%
	<b>Sub-Total (2)</b>	<b>57,635.69</b>	<b>18.49%</b>	<b>45,510.82</b>	<b>17.24%</b>
3	<b>Subordinated Liabilities</b>	<b>4,651.20</b>	<b>1.49%</b>	<b>4,651.20</b>	<b>1.76%</b>
	<b>Sub-Total (3)</b>	<b>4,651.20</b>	<b>1.49%</b>	<b>4,651.20</b>	<b>1.76%</b>
	<b>Total (1+2+3)</b>	<b>2,72,002.17</b>	<b>87.28%</b>	<b>2,28,689.90</b>	<b>86.66%</b>

(iv) Stock Ratios

Sr. No.	Particulars	Amount (₹ in Crore)	% to total public funds	% to total liabilities	% to total assets
<b>As at 31.03.2020</b>					
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-	-
2	Commercial papers	2,925.00	1.04%	0.94%	0.84%
3	Other short-term liabilities	10,829.62	3.87%	3.48%	3.12%
<b>As at 31.03.2019</b>					
1	Non-convertible debentures (original maturity less than 1 year)		-	-	-
2	Commercial papers	7,975.00	3.33%	3.02%	2.67%
3	Other short-term liabilities	4,776.01	2.00%	1.81%	1.60%

## 68 Impact of COVID 19 on the Group

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the financial markets. Lockdown announced by Government of India to contain the spread of virus has resulted in substantial slowdown in the economic activity. The Govt. and various regulators have since then introduced a variety of measures to contain the spread of virus and to mitigate the impacts of economic disruptions. However, the Group believes that the impact of this outbreak on the business and financial position will not be significant.

With its robust IT infrastructure and digital communication technology, the Group encouraged its employees to “Work from Home”. This enabled its workforce to work securely through remote technology ensuring business continuity. During last fortnight of March 31, 2020, the Group disbursed around ₹ 17,476 crore to finance power sector projects, which bears testimony to its attempt to create pandemic proof workplace.

RBI in order to mitigate the burden of debt servicing during this period, notified certain guidelines. In accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, PFC & RECL has offered moratorium on payment of installments falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. RBI vide circular dated 23.05.2020 extended period of loan moratorium by another 3 months i.e. up to August 31, 2020.

Further, the Govt. of India, as a part of its COVID-19 package announcement, has also announced liquidity injection of ₹ 90,000 crore to the State Discoms in the form of State Govt. guaranteed loans through PFC and its subsidiary RECL to clear the outstanding dues of CPSE Gencos/Transco, IPP and RE generators.

The Group is well geared to meet its funding needs. Currently, the Group has adequate undrawn lines of credits from banks. Considering the Group’s high credit worthiness well established relationship with lenders, it can mobilise funds from domestic & international markets.

Thus, there are no reasons to believe that the current crisis will have any significant impact on the ability of the Group to maintain its operations, including the assessment of going concern for the Group. The Group will however continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Further, as part of its CSR initiatives, the Group has contributed ₹ 350 crore to PM CARES Fund to combat COVID-19 in the month of March and April, 2020. Additionally, the employees contributed their one day salary for the same. Various other pan India initiatives were taken by the Group like financial aid to District Administrations, support to frontline workers and conducting awareness programmes as part of its social responsibility.

**69 Disclosure in respect of Moratorium and Asset classification pursuant to RBI COVID-19 Regulatory package pursuant to RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17.04.2020**

**A. In respect of PFC**

		(₹ in Crore)
Sr. no.	Particulars	Amount
1	Amounts in SMA/overdue categories, where the moratorium/deferment was extended -For SMA 1	594.72
2	Amount where asset classification benefits is extended	Nil
3	Provisions made during the Q4 FY2020	N.A.
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	N.A.

**B. In respect of subsidiary, RECL**

		(₹ in Crore)
Sr. No.	Particulars	Amount
(i)	Respective amounts in SMA/overdue categories, where the moratorium was extended	1460.22
(ii)	Respective amount where asset classification benefits is extended.	23.37
(iii)	General Provisions made	Refer Note below
(iv)	General Provisions adjusted during the periods against slippages and the residual provisions	Refer Note below

Note - RECL, being NBFC, provides for Expected Credit Loss (ECL) in accordance with Ind AS 109 as per board-approved ECL methodology. However, such provisions as required under RBI IRACP Norms have been considered for calculation of Provisions required as per IRACP Norms.

**70 Disclosures in accordance with SEBI Circular SEBI/HO/DDHS/CIR/P2018/144 dated 26.11.2018 on fund raising by issuances of debt securities by large entities:**

Details of incremental borrowings in respect of PFC:

		(₹ in crore)
Particulars	FY 2019-20	
Incremental borrowing done in FY 2019-20 (a)	59,542.04	
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	14,885.51	
Actual borrowings done through debt securities in FY 2019-20	36,353.60	
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b)-(c) (If calculated value is zero or negative, write "nil")	Nil	
Reasons for shortfall, if any, in mandatory borrowings through debt securities	N.A.	

RECL has provided the above mentioned disclosure in its annual audited financial results for the year ended March 31, 2020 submitted to recognised stock exchanges on 17.06.2020.



## 71 In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments"

Group's operations comprise of only one business segment - lending to power sector entities. All activities revolve around the main business. Hence, there are no reportable segments as per Ind AS 108. Based on management approach as defined in Ind AS 108 Operating Segments, the Chief Operating Decision Maker evaluates the respective Company's performance based on analysis of various factors of one business segment.

- The Group does not have any geographical segments as operations of the Group are mainly carried out within the country.
- Revenue from major services

The following is an analysis of Group's revenue from operations from its major services:

	(₹ in crore)	
	FY 2019-20	FY 2018-19
Interest income		
- from loans	61,089.77	52,837.17
- Others	538.58	590.24
Fees and Commission income	161.91	374.11
Other operating income	293.53	227.50

- Information about major borrowers  
No single borrower contributed 10% or more to respective companies' revenue for both FY 2019-20 and FY 2018-19.

## 72 Modifications in the significant accounting policies:

The Group 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). Refer Note 45 for details of its financial impact.

Further, certain other policies have been incorporated/ reworded in the Note 6.5 – group's significant accounting policies to bring in more clarity. There is no financial impact of such modifications carried out in the accounting policies.

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

		As at 31.03.2020		As at 31.03.2019	
	Particulars	Within 12 months	More than 12 months	Within 12 months	More than 12 months
	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents	1,905.21	-	726.64	-
(b)	Bank Balance other than included in Cash & Cash Equivalents	2,282.96	-	15,650.40	-
(c)	Derivative Financial Instruments	1,244.54	3,937.73	430.84	1,939.72
(d)	Trade Receivable	137.31	-	172.13	
(e)	Loans	86,807.57	5,59,388.54	73,948.42	4,99,712.86
(f)	Investments	2,164.80	1,688.92	1,037.32	3,085.06
(g)	Other Financial Assets	4,359.33	23,102.79	634.77	23,078.20
	<b>Total Financial Assets (1)</b>	<b>98,901.72</b>	<b>5,88,117.98</b>	<b>92,600.52</b>	<b>5,27,815.84</b>
<b>2</b>	<b>Non- Financial Assets</b>				
(a)	Current Tax Assets (Net)	212.29	926.04	5.59	795.35
(b)	Deferred Tax Assets (Net)	-	5,005.31	10.25	6,359.49
(c)	Investment Property	-	0.01	-	0.01
(d)	Property, Plant and Equipment	-	186.79	-	186.45
(e)	Capital Work-in-Progress	-	287.62	-	196.94
(f)	Intangible Assets under development	-	0.77	-	1.59
(g)	Other Intangible Assets	-	9.23	-	9.18

(h)	Right of use asset	-	42.07	-	-
(i)	Other Non-Financial Assets	168.84	95.10	294.61	98.89
(j)	Investments accounted for using equity method	7.32	542.58		481.35
	<b>Total Non-Financial Assets (2)</b>	<b>388.44</b>	<b>7,095.53</b>	<b>310.45</b>	<b>8,129.25</b>
<b>3</b>	<b>Assets Classified as held for sale</b>	16.98	-	12.66	-
	<b>Total Assets (1+2+3)</b>	<b>99,307.16</b>	<b>5,95,213.51</b>	<b>92,923.63</b>	<b>5,35,945.09</b>
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	115.03	1,810.52	124.33	540.66
(b)	Trade Payables	53.22	-	74.91	-
(c)	Debt Securities	85,726.03	3,56,039.87	85,954.05	3,12,397.95
(d)	Borrowings (other than Debt Securities)	37,283.77	1,03,382.95	36,201.68	90,805.55
(e)	Subordinated Liabilities	273.62	13,856.98	272.26	13,856.20
(f)	Other Financial Liabilities	2,507.65	26,669.39	1,693.64	22,880.64
	<b>Total Financial Liabilities (1)</b>	<b>1,25,959.32</b>	<b>5,01,759.71</b>	<b>1,24,320.87</b>	<b>4,40,481.00</b>
<b>2</b>	<b>Non- Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)	67.40	-	-	5.74
(b)	Provisions	290.28	84.04	259.59	107.22
(c)	Deferred Tax Liabilities (Net)	-	-	-	-
(d)	Other Non-Financial Liabilities	82.42	111.43	112.99	96.96
	<b>Total Non-Financial Liabilities (2)</b>	<b>440.10</b>	<b>195.47</b>	<b>372.58</b>	<b>209.92</b>
<b>3</b>	Liabilities directly associated with assets classified as held for sale	0.68	-	0.08	-
	<b>Total Liabilities (1+2+3)</b>	<b>1,26,400.10</b>	<b>5,01,955.18</b>	<b>1,24,693.53</b>	<b>4,40,690.92</b>

#### 74 Joint Venture entity of the Group accounted for using equity method:

- (i) During the year, JV partners NTPC Ltd., PGCIL and RECL subscribed to additional 30,81,24,000 equity shares in EESL. PFC has not subscribed any additional equity during the year. Thus, PFC's shareholding in equity share capital of EESL has reduced from 36.36% to 24.97%.

As at 31.03.2020, PFC along with its subsidiary RECL holds 47.15% stake in equity share capital of EESL (24.97% directly and 22.18% through its subsidiary RECL).

- (ii) For consolidating group's share in joint Venture entity (EESL), management approved standalone financial statements for FY 2019-20 were considered.

To compute Group's share in Networth of EESL, standalone financial performance for the FY 2019-20 is adjusted to the share in consolidated net worth as at 31.03.2019.

The relevant disclosures pertaining to JV entity are presented in subsequent paragraphs:

#### 74.1. Summarised financial position of EESL:

(₹ in crore)

Particulars	As at 31.03.2020*	As at 31.03.2019#
<b>Financial Assets</b>		
Cash and cash equivalents	177.73	438.20
Bank balances other than above	409.41	337.94
Other financial assets	3,293.32	2,206.23
<b>Sub-Total (Financial Assets)</b>	<b>3,880.46</b>	<b>2,982.37</b>
Non-Financial Assets	5,228.82	4,406.26
<b>Total Assets</b>	<b>9,109.28</b>	<b>7,388.63</b>
Financial Liabilities	7,554.34	6,208.76
Non-Financial Liabilities	373.85	309.93

<b>Total Liabilities</b>	<b>7,928.19</b>	<b>6,518.69</b>
<b>Net Assets</b>	<b>1,181.09</b>	<b>869.94</b>

\* Based on management approved standalone financials. # Based on audited consolidated financials

#### 74.2. Summarised financial performance of EESL:

(₹ in crore)

Particulars	FY 2019-20*	FY 2018-19#
<b>A. Income</b>		
Revenue from operations	1,865.98	2,451.01
Other income	68.09	113.53
<b>Total (A)</b>	<b>1,934.07</b>	<b>2,564.54</b>
<b>B. Expenses</b>		
Finance costs	322.61	220.08
Depreciation, amortization and impairment	496.75	345.91
Purchase of stock-in-trade	683.35	1,307.99
Employee Benefit	36.95	135.04
Other expenses	367.19	360.88
<b>Total (B)</b>	<b>1,906.85</b>	<b>2,369.90</b>
<b>C. Share of net profits/(losses) of joint ventures accounted for using equity method</b>	<b>0.00</b>	<b>0.03</b>
<b>D. Profit before tax (A-B+C)</b>	<b>27.22</b>	<b>194.67</b>
E. Tax Expense	(17.70)	73.39
<b>F. Profit for the period (C-D)</b>	<b>44.92</b>	<b>121.28</b>
G. Other comprehensive income/ (Loss)	(0.48)	(21.34)
<b>H. Total comprehensive income (F+G)</b>	<b>44.44</b>	<b>99.94</b>
Dividends received from EESL	4.47	6.40

\* Based on management approved standalone financials. # Based on audited consolidated financials

#### 74.3. Movement in net assets of EESL:

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening Equity	874.58	690.07
Less: Non Controlling Interest (NCI)	(45.76)	(46.68)
Opening Equity attributable to owners	828.82	643.39
Adjustment for audited vs. unaudited	(4.64)	-
Share Capital Issued	308.12	213.20
Share application money utilised	-	(99.00)
Profit for the year (based on un-audited Standalone)	44.44	83.83
OCI (net of taxes)	-	(0.22)
Change in accounting policy	-	-
Other adjustment (impact of change in ownership of subsidiary and transaction cost for increase in share capital)	-	-
Less : Dividend paid		(11.03)
Less : DDT	(11.44)	(2.27)
<b>Closing Equity attributable to owners</b>	<b>1,165.30</b>	<b>827.90</b>

#### 74.4. Reconciliation to carrying amount of EESL:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Net Worth attributable to owners</b>	<b>1,165.30</b>	<b>827.90</b>
<b>Group share %</b>	<b>47.15%</b>	<b>58.06%</b>
Group's share in Net worth	549.40	480.59

The equity shares of EESL are not listed on stock exchanges.

**75 Details in aggregate, for interests in all individually immaterial associates that are accounted for using the equity method:**

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Profit or Loss from Continuing Operations	(0.20)	-
Post-Tax Profit or Loss from Discontinued Operations	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income	(0.20)	-

**76 Disclosures in respect of Entities Consolidated as required under Schedule III to the Companies Act, 2013**

**76.1. Share in Net Assets i.e. Total Assets minus Total Liabilities**

(₹ in crore)

Name of Entity	As at 31.03.2020		As at 31.03.2019	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
<b>Parent</b>				
PFC Ltd	68.26%	45,164.13	68.19%	43,287.99
<b>Subsidiaries-Indian</b>				
REC Limited	53.50%	35,396.43	54.42%	34,546.34
PFC Consulting Limited (PFCCL)	0.09%	60.07	0.15%	95.11
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	-	0.00%	0.05
<b>Joint Venture-Indian</b>				
Energy Efficiency Services Limited (EESL)	0.83%	549.40	0.76%	480.65
<b>Associates-Indian</b>				
Chhattisgarh Surguja Power Limited	0.00%	-	0.00%	0.05
Coastal Karnataka Power Limited	0.00%	-	0.00%	0.05
Coastal Maharashtra Mega Power Limited	0.00%	-	0.00%	0.05
Orissa Integrated Power Limited	0.00%	-	0.00%	-
Coastal Tamil Nadu Power Limited	0.00%	0.08	0.00%	0.05
Sakhigopal Integrated Power Limited	0.00%	0.05	0.00%	0.05
Ghogarpalli Integrated Power Company Limited	0.00%	0.05	0.00%	0.05
Tatiya Andhra Mega Power Limited	0.00%	-	0.00%	0.05
Deoghar Mega Power Limited	0.00%	0.04	0.00%	0.05
Cheyur Infra Limited	0.00%	0.05	0.00%	0.05
Odisha Infrapower Limited	0.00%	0.04	0.00%	0.05
Deoghar Infra Limited	0.00%	0.05	0.00%	0.05
Bihar Infrapower Limited	0.00%	0.05	0.00%	0.05
Bihar Mega Power Limited	0.00%	0.05	0.00%	0.05
Jharkhand Infrapower Limited	0.00%	0.04	0.00%	0.05
Adjustments or eliminations effect	(22.68)%	(15,005.15)	(23.50)%	(14,926.57)
<b>Total</b>	<b>100.00%</b>	<b>66,165.38</b>	<b>100.00%</b>	<b>63,484.27</b>

## 76.2. Share in Profit and loss

(₹ in crore)

Name of Entity	As at 31.03.2020		As at 31.03.2019	
	As a % of Consolidated Profit and loss	Amount	As a % of Consolidated Profit and loss	Amount
<b>Parent</b>				
PFC Ltd	59.67%	5,655.14	55.01%	6,952.92
<b>Subsidiaries-Indian</b>				
REC Ltd	52.47%	4,972.27	45.42%	5741.38
PFC Consulting Limited (PFCCL)	0.61%	58.15	0.18%	22.43
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	(0.05)	0.00%	0.00
<b>Joint Venture-Indian</b>				
Energy Efficiency Services Limited (EESL)	0.23%	21.63	0.35%	44.25
<b>Associates-Indian</b>	0.00%	(0.20)	0.00%	0.00
<b>Adjustments or eliminations effect</b>	(12.98)%	(1,229.69)	(0.94)%	(120.71)
<b>Total</b>	<b>100.00%</b>	<b>9,477.25</b>	<b>100.00%</b>	<b>12,640.27</b>

## 76.3. Share in Other Comprehensive income

(₹ in crore)

Name of Entity	As at 31.03.2020		As at 31.03.2019	
	As a % of Consolidated Other Comprehensive income	Amount	As a % of Consolidated Other Comprehensive income	Amount
<b>Parent</b>				
PFC Ltd	37.66%	(334.63)	77.30%	(206.97)
<b>Subsidiaries-Indian</b>				
REC Ltd	62.33%	(553.85)	22.63%	(60.59)
PFC Consulting Limited (PFCCL)	0.00%	0.00	0.00%	0.00
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	0.00	0.00%	0.00
<b>Joint Venture-Indian</b>				
Energy Efficiency Services Limited (EESL)	0.47%	(4.19)	0.05%	(0.13)
<b>Associates-Indian</b>	0.00%	-	0.00%	-
<b>Adjustments or eliminations effect</b>	(0.46)%	4.06	0.02%	(0.06)
<b>Total</b>	<b>100.00%</b>	<b>(888.61)</b>	<b>100.00%</b>	<b>(267.75)</b>

**76.4. Share in Total Comprehensive income**

(₹ in crore)

Name of Entity	As at 31.03.2020		As at 31.03.2019	
	As a % of Consolidated Total Comprehensive income	Amount	As a % of Consolidated Total Comprehensive income	Amount
<b>Parent</b>				
PFC Ltd	61.95%	5,320.51	54.52%	6,745.95
<b>Subsidiaries-Indian</b>				
REC Ltd	51.44%	4,418.42	45.91%	5680.79
PFC Consulting Limited (PFCCL)	0.68%	58.15	0.18%	22.43
Power Equity Capital Advisors Private Limited (PECAP)	0.00%	(0.05)	0.00%	0.00
<b>Joint Venture-Indian</b>				
Energy Efficiency Services Limited (EESL)	0.20%	17.44	0.36%	44.12
<b>Associates-Indian</b>	0.00%	(0.20)	0.00%	0.00
<b>Adjustments or eliminations effect</b>	(14.27)%	(1,225.63)	(0.98)%	(120.77)
<b>Total</b>	<b>100.00%</b>	<b>8,588.64</b>	<b>100.00%</b>	<b>12,372.52</b>

77 Disclosures in Consolidated Financial Statements have been made to the extent information is available in Subsidiaries' financial statements.

78 Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable.

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

**Form AOC - 1**  
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures  
Part "A" : Subsidiaries

		₹ in crore				
A.	Subsidiaries <sup>1</sup>	REC Ltd	PFC Consulting Limited (PFCL)	Power Equity Capital Advisors Private Limited (PECAP) <sup>4</sup>	REC Power Distribution Company Limited	REC Transmission Projects Company Limited
1	Information for the year ended as on <sup>2</sup>	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2	Date of acquisition / incorporation	28.03.2019	25.03.2008	11.10.2011	28.03.2019	28.03.2019
3	Share Capital	1,974.92	0.05	0.05	0.05	0.05
4	Reserves & Surplus	33,101.64	60.02	(0.05)	168.15	112.56
5	Total Assets	3,46,487.59	92.07	-	310.30	259.89
6	Total Liabilities	3,11,411.03	32.00	-	142.10	146.60
7	Investments	2,313.21	-	-	15.81	75.26
8	Turnover <sup>3</sup>	29,791.06	111.42	-	143.01	79.16
9	Profit before Taxation	6,983.29	78.46	(0.05)	20.34	70.55
10	Provision for Taxation	2,097.13	20.31	-	7.87	16.11
11	Profit after taxation	4,886.16	58.15	-	12.47	54.44
12	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
13	% of Shareholding	52.63%	100.00%	100.00%	100.00%	100.00%

- Note:**
- The Company does not have any foreign subsidiary.
  - Reporting period of all the subsidiaries is same as that of the holding company.
  - Turnover is considered as Revenue from Operations.
  - PECAP is under process of voluntary liquidation.
  - Name of Subsidiaries which are yet to commence operations - Nil
  - Name of Subsidiaries which have been liquidated or sold during the year - Nil

**Part "B": Associates and Joint Ventures**

		₹ in crore									
B.	Name of Joint Ventures/Associates	Latest audited Balance Sheet Date	Shares of Joint Ventures/Associates			Description of how there is Significant Influence	Reason why the joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance sheet	Profit / Loss for the year		
			No. of shares	Amount of Investments in Joint Venture/Associates	Extent of Group's Holding %				Considered in Consolidation	Not considered in Consolidation	
<b>Joint Venture</b>											
1	Energy Efficiency Services Limited (EESL) <sup>3</sup>	31.03.2019	46,36,00,000	463.60	47.15%	Being Promoter <sup>1</sup> / by virtue of Shareholding agreement	NA	388.56	21.63	-	
<b>Associates<sup>2</sup></b>											
1	Sakhigopal Integrated Power Company Ltd	31.03.2019	50,000	0.05	100%	SPVs are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these SPVs unilaterally. Therefore, investment in these SPVs are considered as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.	NA	0.05	-	-	
2	Ghogarpalli Integrated Power Company Ltd	31.03.2019	50,000	0.05	100%		NA	0.05	0.00	-	
3	Coastal Karnataka Power Ltd	31.03.2019	50,000	0.05	100%		NA	-	(0.05)	-	
4	Coastal Maharashtra Mega Power Ltd	31.03.2019	50,000	0.05	100%		NA	-	(0.05)	-	
5	Jharkhand Infrapower Ltd	31.03.2019	50,000	0.05	100%		NA	0.05	-	-	
6	Chhattisgarh Surguja Power Limited	31.03.2019	50,000	0.05	100%		NA	-	(0.05)	-	
7	Odisha Infrapower Ltd	31.03.2020	50,000	0.05	100%		NA	0.05	-	-	
8	Orissa Integrated Power Ltd	31.03.2019	50,000	0.05	100%		NA	(0.08)	-	-	
9	Cheyur Infra Ltd	31.03.2019	50,000	0.05	100%		NA	0.05	-	-	
10	Coastal Tamil Nadu Power Ltd	31.03.2019	50,000	0.05	100%		NA	0.08	-	-	
11	Bihar Infrapower Limited	31.03.2020	50,000	0.05	100%		NA	0.05	-	-	
12	Bihar Mega Power Limited	31.03.2019	50,000	0.05	100%		NA	0.05	-	-	
13	Deoghar Infra Limited	31.03.2019	50,000	0.05	100%		NA	0.05	-	-	
14	Deoghar Mega Power Ltd	31.03.2019	50,000	0.05	100%		NA	0.05	-	-	
15	Tatiya Andhra Mega Power Ltd	31.03.2019	50,000	0.05	100%		NA	-	(0.05)	-	
16	Bijawar-Vidhrbha Transmission Limited <sup>4</sup>	31.03.2020	10,000	0.01	100%	Refer Note no 7	NA	0.01	-	-	
17	Tanda Transmission Company Limited <sup>5</sup>	31.03.2020	50,000	0.05	100%		NA	-	-	-	
18	Shongtong Karcham-Wangtoo Transmission Limited <sup>5</sup>	31.03.2020	10,000	0.01	100%		NA	-	-	-	
19	Vapi II-North Lakhimpur Transmission Limited	31.03.2020	10,000	0.01	100%		NA	0.01	-	-	
20	Koppal-Narendra Transmission Limited	NA	10,000	0.01	100%		NA	0.01	-	(0.00)	
21	Karur Transmission Limited	NA	10,000	0.01	100%		NA	0.01	-	(0.00)	
22	Dinchang Transmission Limited <sup>6</sup>	31.03.2020	50,000	0.05	100%		NA	-	-	-	
23	Chandil Transmission Limited	31.03.2020	50,000	0.05	100%		NA	(2.14)	-	(0.44)	
24	Koderma Transmission Limited	31.03.2020	50,000	0.05	100%		NA	(1.91)	-	(0.41)	
25	Dumka Transmission Limited	31.03.2020	50,000	0.05	100%		NA	(2.08)	-	(0.43)	
26	Mandar Transmission Limited	31.03.2020	50,000	0.05	100%	NA	(1.86)	-	(0.40)		

- Note:**
- EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.
  - All the SPVs are under pre-operative stage and yet to commence operations.
  - Amount of Profit / Loss is as per management approved standalone financial statements as on 31.03.2020.
  - Bijawar-Vidhrbha Transmission Limited was recommended for denotification by National Committee for Transmission (NCT) and subsequently the investment was provided for impairment. MoP permission for striking off company with MCA is awaited.
  - Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited were denotified by MoP and subsequently the investment was provided for impairment. MoP permission for striking off company with MCA has been obtained during the year.
  - Dinchang Transmission Limited was denotified vide MoP letter dated 25.03.2019 and subsequently investment was written off. MoP permission for striking off company with MCA has been obtained during the year.
  - Associates have been classified as 'held for sale' and valued at cost or fair market value (less cost to sales) whichever is less. Accordingly, the Profit/ (loss) has not been considered in Consolidated Financial Statements.
  - Twelve SPVs namely Bidar Karnataka Line, Gadag Karnataka Part A Line, Solar Energy Rajasthan Part A Line, Solar Energy Rajasthan Part B Line, Solar Energy Rajasthan Part C Line, Rajgarh Madhya Pradesh Line, Osmanabad Maharashtra Line, Solar Energy Zone in Ananthpuram and Kurnool, Andhra Pradesh, Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-D, Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-E, Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-F and Solar energy zones in Rajasthan (8.1 GW) under Phase-II Part-G are in the process of incorporation and yet to commence operations as at 31st March 2020.
  - Thirteen SPVs namely Khatri Transco Limited, Bhind Guna Transmission Limited, Udipi Kasargode Transmission Limited, Ajmer Phagi Transco Limited, WRSS XXI (A) Transco Limited, Jam khambaliya Transco Limited, Lakadia Banaskantha Transco Limited, Rampur Sambhal Transco Limited, Meerut-Simbhawali Transmission Limited, Bikaner-Khetri Transmission Limited, Bhuj-II Transmission Limited, Fatehgarh-II Transco Limited and Lakadia-Vadodara Transmission Project Limited have been sold during the year, as a part of business process.

### Capitalization Statement (Consolidated)

Description	Year ended 31.03.2020	Year ended 31.03.2019
	IND AS	IND AS
<b>Debts*</b>		
Short term Debt	7,718.22	31,048.10
Long term Debt	5,75,399.20	4,95,873.67
<b>Total Debt</b>	<b>5,83,117.42</b>	<b>5,26,921.77</b>
<b>Shareholders' Fund</b>		
Equity Share Capital	2,640.08	2,640.08
Other equity	46,759.72	44,481.17
<b>Net Worth (Equity attributable to owners of the Company)</b>	<b>49,399.80</b>	<b>47,121.25</b>

*\*Principal Outstanding*



**Accounting Ratios(Consolidated)****(₹ in crore)**

Description	Year ended 31.03.2020	Year ended 31.03.2019
	Ind - AS	Ind - AS
Net Profit After Tax attributable to owners of the Company	7,122.13	9,920.86
Net Profit After Tax attributable to non controlling interest	2,355.12	2,719.41
Total Net Profit After Tax	9,477.25	12,640.27
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408
Networth (Equity attributable to owners of Company)	49,399.80	47,121.25
Average Networth (Equity attributable to owners of Company)	48,260.53	43,477.89
Accounting Ratios:		
Basic and Diluted Earing Per Share (₹)	26.98	37.58
Net Asset Value per Share (₹)	187.11	178.48
Return on Average Net worth (%)	14.76%	22.82%

**EXAMINATION REPORT ON REFORMATTED STANDALONE FINANCIAL INFORMATION  
UNDER IND-AS**

Date: December 30<sup>th</sup>, 2020

To,  
The Board of Directors  
**Power Finance Corporation Limited**  
Urjanidhi  
1 Barakhamba Lane, Connaught Place  
New Delhi 110 001  
India

Dear Sirs,

**Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures (“NCDs”) of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited (“Company”) in one of more tranches from time to time (“Issue”)**

1. The management of the Company has approved the accompanying Standalone Financial Statements of the Company as at and for the year ended on March 31, 2020 and 2019 comprising of Standalone Statement of Assets and Liabilities (Annexure I), Standalone Statement of Profit and Loss (including other comprehensive income) (Annexure II), Standalone Statement of Changes in Equity (Annexure III), Standalone Cash Flow Statement as on and for the year ended March 31, 2020 and 2019 (Annexure IV), the Statement of Significant Accounting Policies and Notes to Accounts (Annexure V), (collectively referred to as “**Standalone Financial Statements under IndAS**”) annexed to this report, in accordance with the requirements of :
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (“**SEBI Regulations**”), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;
  - (c) the Guidance Note issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the “**Prospectuses**”), in connection with the proposed public issue of NCDs by the Company.
2. These Reformatted Standalone Financial Information under IND-AS and have been compiled by the management from :
  - a) Audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2020 and 2019, prepared in accordance with the Indian Accounting Standards (referred to as “**Ind AS**”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors. .
  - b) The Reformatted Standalone Financial Information under IND-AS as at and for the year ended March 31, 2019 has been regrouped / reclassified wherever necessary to correspond with the presentation /

disclosure requirements of the financial year ended March 31, 2020 to comply with the requirements of Section 26 of the Act and the SEBI Regulations.

3. We have examined the Standalone Financial Statements under IND-AS as stated in para 1 & 2 above.
4. The Reformatted Standalone Financial Information under IND-AS do not reflect the effects of events that occurred subsequent to the respective dates of the reports.
5. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Service Engagements.
6. The data in the “Standalone Financial Statements” has been extracted from the Audited Financial Statements of the Company, duly audited by M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants, dated May 29, 2019; and by Dass Gupta and Associates, Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants dated June 24, 2020.
7. This report should not in any way be construed as a reissuance or re-dating of the previous audit reports, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
8. There is no qualification or adverse remark in the auditors’ reports on the financial statements for the year ended March 31, 2020 and 2019. However, there are Emphasis of matter in the annexure to the auditor’s reports which have been included in Annexure – A, which do not have any quantifiable impact on the Reformatted Standalone Financial Information.
9. The management of the Company is responsible for preparation of the Standalone Financial Statements for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Standalone Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations. The Standalone Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Notes to Accounts to the Reformatted Standalone Financial Information above.
10. We have examined the Reformatted Standalone Financial Information under IND-AS taking into consideration:
  - (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 24, 2020 in connection with the proposed Issue of NCDs of the Issuer;
  - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under IND-AS; and
  - (d) The requirements of Section 26 of the Act and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

11. At the Company's request, we have also examined the following other standalone financial information of the Company (Collectively referred to as "**Other Standalone Financial Information**") proposed to be included in the Prospectuses as approved by the Board of Directors or any other Committee thereto, annexed to this report:
- (a) Statements of Accounting Ratios (Standalone), as at and for the year ended March 31, 2020 and March 31, 2019 (Annexure – VI)
  - (b) Statement of Dividend (Standalone), for each of the year ended March 31, 2020 and March 31, 2019 (Annexure – VII); and
  - (c) Capitalization Statement (Standalone), as at for the year ended March 31, 2020 and March 31, 2019 (Annexure – VIII).
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

**For and on behalf of**

**Gandhi Minocha & Co.**  
**Authorized Signatory**  
**MANOJ**  
**BHARDWAJ**  
Digitally signed by  
MANOJ BHARDWAJ  
Date: 2020.12.30 17:59:20  
+05'30'  
**Name:** CA Manoj Bhardwaj  
**Designation:** Partner  
**Membership Number:** 098606  
**Date:** 30.12.2020  
**Firm Regn Number:** 000458N  
**Place:** New Delhi  
**UDIN:**20098606AAAADI1695

**Dass Gupta and Associates**  
**Authorized Signatory**  
**NARESH**  
**GOEL**  
Digitally signed by  
NARESH GOEL  
Date: 2020.12.30 17:36:24  
+05'30'  
**Name:** CA Naresh Kumar  
**Designation:** Partner  
**Membership Number:** 082069  
**Date:** 30.12.2020  
**Firm Regn Number:** 000112N  
**Place:** New Delhi  
**UDIN:**20082069AAAAAV4574

CC:

- 1) Lead Managers to the issue

**Gandhi Minocha & Co.**  
**Chartered Accountants**  
**B-6 Shakti Nagar extension,**  
**Near Laxmi Bai College,**  
**Delhi – 110 052**  
[manojbhardwaj@gandhiminocha.com](mailto:manojbhardwaj@gandhiminocha.com)

**Dass Gupta & Associates**  
**Chartered Accountants**  
**NDG Center,**  
**B-4, Gulmohar Park**  
**New Delhi – 110 049**  
[admin@dassgupta.com](mailto:admin@dassgupta.com)

**ANNEXURE A**

Financial Year	Auditor Remarks
FY 2020	<b>Emphasis of Matter</b> Note No. 57 of the Standalone Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.
FY 2019	None

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

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	<b>ASSETS</b>			
1	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	7	182.52	310.09
(b)	Bank Balance other than included in Cash and Cash Equivalents	8	16.47	13,890.52
(c)	Derivative Financial Instruments	9	1,863.42	567.98
(d)	Loans	10	3,34,112.60	3,03,210.36
(e)	Investments	11	16,473.32	16,586.20
(f)	Other Financial Assets	12	5,339.12	5,330.96
	<b>Total Financial Assets (1)</b>		<b>3,57,987.45</b>	<b>3,39,896.11</b>
2	<b>Non- Financial Assets</b>			
(a)	Current Tax Assets (Net)	13	651.31	498.42
(b)	Deferred Tax Assets (Net)	37	2,952.12	4,060.73
(c)	Property, Plant and Equipment	14	31.35	27.74
(d)	Intangible Assets	14	0.41	0.59
(e)	Right-of-use Assets	15	35.75	-
(f)	Other Non-Financial Assets	16	128.87	242.09
	<b>Total Non- Financial Assets (2)</b>		<b>3,799.81</b>	<b>4,829.57</b>
	<b>Total Assets (1+2)</b>		<b>3,61,787.26</b>	<b>3,44,725.68</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
1	<b>Financial Liabilities</b>			
(a)	Derivative Financial Instruments	9	599.82	505.59
(b)	Debt Securities	17	2,21,847.67	2,05,584.49
(c)	Borrowings (other than Debt Securities)	18	79,116.06	80,344.69
(d)	Subordinated Liabilities	19	9,310.95	9,309.70
(e)	Other Financial Liabilities	20	5,375.16	5,327.84
	<b>Total Financial Liabilities (1)</b>		<b>3,16,249.66</b>	<b>3,01,072.31</b>
2	<b>Non- Financial Liabilities</b>			
(a)	Current Tax Liabilities (Net)	13	0.11	0.53
(b)	Provisions	21	264.29	264.00
(c)	Other Non-Financial Liabilities	22	109.07	100.85
	<b>Total Non- Financial Liabilities (2)</b>		<b>373.47</b>	<b>365.38</b>
	<b>Total Liabilities (1+2)</b>		<b>3,16,623.13</b>	<b>3,01,437.69</b>
3	<b>Equity</b>			
(a)	Equity Share Capital	23	2,640.08	2,640.08
(b)	Other Equity	24	42,524.05	40,647.91
	<b>Total Equity (3)</b>		<b>45,164.13</b>	<b>43,287.99</b>
	<b>Total Liabilities and Equity (1+2+3)</b>		<b>3,61,787.26</b>	<b>3,44,725.68</b>

Notes annexed hereto form integral part of Standalone Financial Statements.

**Power Finance Corporation Limited**  
**Standalone Statement of Profit and Loss for the Year ended March 31, 2020**

(₹ in crore)

Sr. No.	Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	25	31,950.42	28,432.68
(ii)	Dividend Income	39	1,289.52	167.03
(iii)	Fees and Commission Income	26	122.96	149.02
<b>I.</b>	<b>Total Revenue from Operations</b>		<b>33,362.90</b>	<b>28,748.73</b>
<b>II.</b>	Other Income	28	8.16	17.58
<b>III.</b>	<b>Total Income (I+II)</b>		<b>33,371.06</b>	<b>28,766.31</b>
	<b>Expenses</b>			
(i)	Finance Costs	29	21,853.19	18,987.60
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	40	2,633.42	520.25
(iii)	Fees and Commission Expense	30	10.76	10.09
(iv)	Net Loss / (Gain) on Fair Value changes	27	(699.05)	(84.98)
(v)	Impairment on Financial Instruments	31	991.22	(871.48)
(vi)	Employee Benefit Expenses	32	193.82	173.57
(vii)	Depreciation and Amortisation	14/15	9.10	6.14
(viii)	Corporate Social Responsibility Expenses	41	97.15	100.50
(ix)	Other Expenses	33	88.91	108.83
<b>IV.</b>	<b>Total Expenses</b>		<b>25,178.52</b>	<b>18,950.52</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>8,192.54</b>	<b>9,815.79</b>
<b>VI.</b>	Exceptional Items		-	-
<b>VII.</b>	<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>8,192.54</b>	<b>9,815.79</b>
	<b>Tax Expense:</b>	37		
	(1) Current Tax:			
	- Current Year		1,406.73	2,346.50
	- Earlier Years		17.75	1.22
	(2) Deferred Tax		1,112.92	515.15
<b>VIII.</b>	<b>Total Tax Expense</b>		<b>2,537.40</b>	<b>2,862.87</b>
<b>IX.</b>	<b>Profit/(Loss) for the Year from Continuing Operations (VII-VIII)</b>		<b>5,655.14</b>	<b>6,952.92</b>
<b>X.</b>	Profit/(Loss) from Discontinued Operations (After Tax)		-	-
<b>XI.</b>	<b>Profit/(Loss) for the Year (from continuing and discontinued operations) (IX+X)</b>		<b>5,655.14</b>	<b>6,952.92</b>
<b>XII.</b>	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(5.09)	(3.63)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(287.11)	(154.88)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		0.08	1.69
	<b>Sub-Total (A)</b>		<b>(292.12)</b>	<b>(156.82)</b>
(B)	(i) Items that will be reclassified to Profit or Loss			
	-Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		(46.74)	(77.08)
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss			
	-Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		4.23	26.93
	<b>Sub-Total (B)</b>		<b>(42.51)</b>	<b>(50.15)</b>
	<b>Other Comprehensive Income (A+B)</b>		<b>(334.63)</b>	<b>(206.97)</b>
<b>XIII.</b>	<b>Total Comprehensive Income for the Year (XI+XII)</b>		<b>5,320.51</b>	<b>6,745.95</b>
<b>XIV.</b>	<b>Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):</b>	44		
	(1) For continuing operations (in ₹)		21.42	26.34
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		21.42	26.34

Notes annexed hereto form integral part of Standalone Financial Statements.

**Power Finance Corporation Limited**  
**Standalone Statement of Changes in Equity for the Year ended March 31, 2020**

Particulars	₹ in crore)	
	Opening Balance	Closing Balance
FY 2018-19	2,640.08	2,640.08
FY 2019-20	2,640.08	2,640.08

**B. Other Equity**

Particulars	Reserves and Surplus										Other Comprehensive Income		Total
	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(via)(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	Debtenture 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	
<b>Balance as at 31.03.2018</b>	23.36	3,386.79	599.85	15,920.36	1,726.82	2,776.54	(356.41)	57.90	6,438.68	3,848.43	(106.25)	-	34,316.07
Profit for the year	-	-	-	-	-	-	-	-	6,952.92	6,952.92	-	-	6,952.92
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	(1.94)	(1.94)	-	-	(1.94)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	(50.15)	(50.15)	-	-	(50.15)
<b>Total Comprehensive Income for the year</b>	1,390.58	353.42	-	1,577.91	289.73	-	-	-	6,950.98	(154.88)	(154.88)	-	6,745.95
Transfer to / from Retained Earnings	-	-	-	1,577.91	(2.30)	-	-	2.10	1,000.00	(14.56)	(14.56)	-	0.00
Additions / Deletion during the year (net)	-	-	-	-	(2.30)	-	(413.31)	2.10	0.20	(0.80)	(0.80)	-	(414.11)
<b>Balance as at 31.03.2019</b>	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	-	-	-	-	-	-	-	-	5,655.14	5,655.14	-	-	5,655.14
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	(5.01)	(5.01)	-	-	(5.01)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	(42.51)	(42.51)	-	-	(329.62)
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	-	-	-	5,650.13	(2,508.08)	(287.11)	(42.51)	5,320.51
Dividends	-	-	-	-	-	-	-	-	(264.79)	(264.79)	-	-	(2,508.08)
Transfer to / from Retained Earnings	1,131.02	304.81	-	1,350.13	(2,014.25)	-	-	-	(2,785.96)	(2,785.96)	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	2,014.25	-	-	-	-
Utilisation of reserve against bad debts written off	-	(1,530.85)	-	-	-	-	-	-	1,530.85	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions / Deletions during the period (net)	-	-	-	-	-	-	(671.46)	1.40	0.03	(249.96)	249.96	-	(671.50)
<b>Balance as at 31.03.2020</b>	2,544.96	2,514.17	599.85	18,848.40	-	2,776.54	(1,441.18)	61.40	10,983.81	6,042.40	(313.64)	(92.66)	42,524.05

Notes annexed hereto form integral part of Standalone Financial Statements.



Power Finance Corporation Limited  
Standalone Statement of Cash Flows for the Year ended March 31, 2020

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2020		Year ended 31.03.2019	
<b>I.</b>	<b>Cash Flow from Operating Activities :-</b>				
	<b>Profit before Tax</b>	<b>8,192.54</b>		<b>9,815.79</b>	
	<b>Adjustments for:</b>				
	Loss on derecognition of Property, Plant and Equipment (net)	0.96		0.32	
	Depreciation and Amortisation	9.10		6.14	
	Interest expense on Zero Coupon Bonds and Commercial Papers	329.58		(136.83)	
	Unrealised Foreign Exchange Translation Loss / (Gain)	2,908.53		519.07	
	Net Change in Fair Value	(699.05)		(84.98)	
	Impact of Effective Interest Rate on Loans	6.50		(10.47)	
	Impairment on Financial Instruments	991.22		(871.48)	
	Interest income on Investments	(250.53)		(288.60)	
	Interest on Interest Subsidy Fund	1.35		3.46	
	Provision for interest under Income Tax Act, 1961	0.17		5.86	
	Excess Liabilities written back	(0.18)		-	
	Provision for Retirement Benefits etc.	44.44		56.09	
	Dividend Income	(1,289.52)		(167.03)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	(188.06)		(0.35)	
	Interest on Income Tax Refund	(0.66)		(8.29)	
	Interest expenses on Lease Liability	0.77		-	
	<b>Operating profit before Working Capital Changes:</b>	<b>10,057.16</b>		<b>8,838.71</b>	
	<b>Increase / Decrease :</b>				
	Loans (Net)	(32,097.93)		(36,321.76)	
	Other Financial and Non-Financial Assets	13,891.09		(13,895.53)	
	Derivative	(504.95)		11.00	
	Other Financial & Non-Financial Liabilities and Provisions	154.44		(668.69)	
	<b>Cash Flow from Operations Before Tax</b>	<b>(8,500.19)</b>		<b>(42,036.27)</b>	
	Income Tax paid	(1,584.39)		(2,544.76)	
	Income Tax Refund	59.03		81.34	
	<b>Net Cash flow from Operating Activities</b>		<b>(10,025.55)</b>		<b>(44,499.69)</b>
<b>II.</b>	<b>Cash Flow From Investing Activities :</b>				
	Proceeds from disposal of Property, Plant and Equipment	0.07		0.11	
	Purchase of Property, Plant and Equipment	(13.11)		(7.93)	
	Investment in Subsidiaries	-		(14,500.00)	
	Interest income on investment	250.32		243.25	
	Dividend on investment	1,289.52		167.03	
	Increase / Decrease in Other Investments	29.12		277.97	
	<b>Net Cash Used in Investing Activities</b>		<b>1,555.92</b>		<b>(13,819.57)</b>
<b>III.</b>	<b>Cash Flow From Financing Activities :</b>				
	Raising of Bonds (including premium) (Net of Redemptions)	6,244.24		(8,957.74)	
	Raising of Long Term Loans (Net of Repayments)	10,895.44		35,678.55	
	Raising of Foreign Currency Loans (Net of Repayments)	15,293.94		9,634.40	
	Raising of Subordinated Liabilities (Net of Redemptions)	0.00		5,411.50	
	Raising of Commercial paper (Net of Repayments)	(10,000.00)		2,970.00	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	(11,318.82)		13,357.18	
	Unclaimed Bonds (Net)	0.59		(2.78)	
	Unclaimed Dividend (Net)	0.32		0.53	
	Payment of Interim Dividend	(2,508.08)		-	
	Payment of Corporate Dividend Tax	(264.79)		-	
	Payment of Lease Liability	(0.77)		-	
	<b>Net Cash in-flow from Financing Activities</b>		<b>8,342.06</b>		<b>58,091.65</b>
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>		<b>(127.57)</b>		<b>(227.62)</b>
	Add : Cash and Cash Equivalents at beginning of the financial year		310.09		537.71
	<b>Cash and Cash Equivalents at the end of the Year</b>		<b>182.52</b>		<b>310.09</b>
	<b>Details of Cash and Cash Equivalents at the end of the Year:</b>				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	182.52		8.48	
	In Term Deposit Accounts	-	182.52	301.61	310.09
	ii) Cheques, Drafts on hand including postage and Imprest		-		-
	<b>Total Cash and Cash Equivalents at the end of the Year</b>		<b>182.52</b>		<b>310.09</b>

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

**Reconciliation of liabilities arising from financing activities**

(₹ in crore)

Sr. No.	Particulars	Bonds / Debenture*	Term Loans**	Foreign Currency Loans	Commercial Paper	WCDL etc.	Subordinated Debts	Total
	<b>Opening Balance as at 01.04.2018</b>	<b>1,90,028.53</b>	<b>10,524.99</b>	<b>18,260.08</b>	<b>6,924.74</b>	<b>-</b>	<b>3,800.00</b>	<b>2,29,538.35</b>
	Cash Flow During the Year	(8,957.74)	35,678.55	9,634.40	2,970.00	13,357.18	5,411.50	58,093.90
	<b>Non-Cash Changes due to:</b>							
	Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper	42.00	-	-	(178.82)	-	-	(136.83)
	Variation in Exchange Rates	-	-	932.38	-	-	-	932.38
	<b>Closing Balance as at 31.03.2019</b>	<b>1,81,112.79</b>	<b>46,203.54</b>	<b>28,826.86</b>	<b>9,715.92</b>	<b>13,357.18</b>	<b>9,211.50</b>	<b>2,88,427.80</b>
	Cash Flow During the Year	6,244.24	10,895.44	15,293.94	(10,000.00)	(11,318.82)	0.00	11,114.80
	<b>Non-Cash Changes due to:</b>							
	Amortization of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers	45.49	-	-	284.09	-	-	329.58
	Variation in Exchange Rates	-	-	3,579.99	-	-	-	3,579.99
	<b>Closing Balance as at 31.03.2020</b>	<b>1,87,402.52</b>	<b>57,098.98</b>	<b>47,700.79</b>	<b>0.00</b>	<b>2,038.36</b>	<b>9,211.50</b>	<b>3,03,452.17</b>

\*Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flow.

\*\*Foreign Currency Loans and Syndicated Foreign Currency Loans form part of Foreign Currency Loans in Statement of Cash Flow.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

### 1. Company Information

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

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

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

### 2. Statement of Compliance

The Standalone Financial Statements of the Company comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms /guidelines.

3. These Standalone Financial Statements have been approved for issue by Board of Directors (BoD) of the Company on 24.06.2020

### 4. Standards/ Amendments issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. As at 31.03.2020, there is no such notification which would have been applicable from 01.04.2020.

### 5. Significant Accounting Policies

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

#### 5.1 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.

#### 5.2 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.

#### 5.3 Derivative financial instruments

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

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

#### Cash flow hedge

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

#### Fair value hedge

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

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

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

### **5.4 Financial instruments**

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

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

#### **5.4.1 Financial assets**

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

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

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

##### a) Financial assets at Amortised Cost:

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

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

##### Effective Interest Rate (EIR) method

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

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

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

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

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

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

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

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

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

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

#### Business Model

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

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

### (ii) Classification and measurement of Equity Instruments

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

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

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

### (iii) Impairment of financial assets

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

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

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

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

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

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

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

(iv) De-recognition of financial assets

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

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

#### 5.4.2 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.

#### 5.5 Investment in Subsidiaries, Joint Ventures and Associates

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

#### 5.6 Property, Plant and Equipment (PPE) and Depreciation

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

### **5.7 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.

### **5.8 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- (v) Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

### **5.9 Recognition of Income and Expenditure**

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

### **5.10 Expenditure on issue of shares**

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

### **5.11 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.

## 5.12 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.

## 5.13 Leasing

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

### The Company as a lessee

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

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

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

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

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

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

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

#### The Company as a lessor

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

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Company in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.

### **5.14 Foreign Currency Transactions and Translations**

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

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

### **5.15 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.

#### **5.16 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.

#### **5.17 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.

#### **5.18 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.

### **6. Use of Estimates and Management Judgement**

In preparation of the Standalone Financial Statements, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities including contingent liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

#### **6.1 Significant management judgements**

In order to enhance understanding of the Standalone Financial Statements, information about significant areas of critical judgments, apart from those involving estimation (Note 6.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements, are as under:

(i) Deferred tax Liability on Special Reserve

The Company had passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income tax Act, 1961. Accordingly, the Special Reserve created and maintained is not capable of being reversed. Hence, the Company does not create any deferred tax liability on the said reserve.

(ii) Non recognition of income on Credit Impaired Loans

As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realization is higher than the loan amount outstanding.

(iii) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd., Power Grid Corporation of India Ltd. (PGCIL), REC Ltd. (RECL) and PFC. In line with the JV agreement, all the joint venture partners have identical rights and privileges including without limitation, dividend, voting rights etc., thereby providing substantive participative rights though their right to affirmative vote on certain reserved matters which are in nature of relevant activities as per the requirements of Ind AS 110. Therefore,

being a company under joint control, EESL has been considered as Joint Venture Company for the purpose of consolidation of financial statement.

As at 31.03.2020, the Company along with its subsidiary RECL holds 47.15% stake in equity share capital of EESL (24.97% directly and 22.18% through its subsidiary RECL). However, as at 31.03.2019, the Company and RECL held 58.06 % shareholding in EESL.

- b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

(iv) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets based on available information such as external ratings of the borrower/ latest financial information, latest operational data such as Plant Load Factor, Capacity Utilisation Factor, ACC-ARR gap etc. Further, to assess the impairment of assets, performance of the concerned State has also been considered.

## 6.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined Benefit Obligation (DBO)

The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 36.

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, lease assets, LoCs and guarantees measured at amortised cost requires use of statistical models, future economic conditions and credit behaviour (e.g. inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses).

In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc are assessed. As these estimates are based on various assumptions, actual results may vary. Refer Note 34.2.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/ liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 34.4.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 37 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Company reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 14 for details on useful lives and carrying values of PPE and Intangible assets.

(vi) Impact of Covid-19 on financials

Currently, there is no major impact of Covid-19 on the Standalone Financial Statements of the Company. However, the extent to which COVID-19 pandemic will impact the Company's financial statements in the future will depend on further developments which are highly uncertain, including, any new information concerning the severity of pandemic and any action to contain its spread or mitigate its impact.

**7 Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	182.52	8.48
	- In Term Deposit Accounts	-	301.61
(ii)	Cheques, Drafts on hand including Postage and Imprest	0.00	0.00
	<b>Total Cash and Cash Equivalents</b>	<b>182.52</b>	<b>310.09</b>

**8 Bank Balance other than included in Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Earmarked Balances with Banks for		
	- Term Deposits Accounts	-	13,877.63
	- Unpaid Dividend (Refer Note 8.2)	3.48	3.16
	- Unpaid - Bonds / Interest on Bonds etc. (Refer Note 8.2)	12.99	9.73
	- Amount received under IPDS / R-APDRP scheme	0.00	0.00
	<b>Total Bank Balance other than included in Cash and Cash Equivalents</b>	<b>16.47</b>	<b>13,890.52</b>

**8.1** There are no repatriation restrictions with respect to 'Bank Balances other than included in Cash and Cash equivalents' as at the end of the reporting periods presented above.

**8.2** No amount is due for deposit in Investor Education and Protection Fund.

### 9 Derivative Financial Instruments

The Company enters into derivative contracts for hedging Currency & Interest Rate risk. Derivatives include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Derivative transactions include forwards, interest rate swaps, currency / cross currency swaps, currency / cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020			As at 31.03.2019		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	<b>Currency Derivatives</b>						
	- Spot and Forwards	5,371.88	182.87	20.23	8,028.84	10.69	235.45
	- Currency Swaps	12,061.74	1,400.21	-	7,261.28	285.26	100.01
	- Options	-	-	-	2,766.20	78.30	-
	<b>Total Currency Derivatives</b>	<b>17,433.62</b>	<b>1,583.08</b>	<b>20.23</b>	<b>18,056.32</b>	<b>374.25</b>	<b>335.46</b>
(ii)	<b>Interest Rate Derivatives</b>						
	- Forward Rate Agreements and Interest Rate Swaps	17,517.14	280.34	579.59	18,428.28	193.73	170.13
	<b>Total Interest Rate Derivatives</b>	<b>17,517.14</b>	<b>280.34</b>	<b>579.59</b>	<b>18,428.28</b>	<b>193.73</b>	<b>170.13</b>
	<b>Total Derivative Financial Instruments (†+ii)</b>	<b>34,950.76</b>	<b>1,863.42</b>	<b>599.82</b>	<b>36,484.60</b>	<b>567.98</b>	<b>505.59</b>
<b>Part - II</b>							
	Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:						
(i)	Cash Flow Hedging (Designated)						
	- Currency Derivatives	6,030.87	428.11	-	1,728.88	-	100.03
	- Interest Rate Derivatives	3,769.30	-	233.57	1,728.88	-	64.84
	<b>Total Cash Flow Hedging (Designated)</b>	<b>9,800.17</b>	<b>428.11</b>	<b>233.57</b>	<b>3,457.76</b>	<b>-</b>	<b>164.87</b>
(ii)	Undesignated Derivatives						
	- Undesignated Derivatives	25,150.59	1,435.31	366.25	33,026.84	567.98	340.72
	<b>Total Undesignated Derivatives</b>	<b>25,150.59</b>	<b>1,435.31</b>	<b>366.25</b>	<b>33,026.84</b>	<b>567.98</b>	<b>340.72</b>
	<b>Total Derivative Financial Instruments (†+ii)</b>	<b>34,950.76</b>	<b>1,863.42</b>	<b>599.82</b>	<b>36,484.60</b>	<b>567.98</b>	<b>505.59</b>

9.1. Details of Forward Rate Agreements / Interest Rate Swaps

(₹ in crore)

Sr. No.	Description	As at 31.03.2020	As at 31.03.2019
(i)	Notional principal of swap agreements	17,517.14	18,428.28
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	280.34	193.73
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	(299.25)	23.60

The Company has entered into swap agreements with Category-I Authorized Dealer Banks only, in accordance with the RBI guidelines.

9.2. The Company does not hold any exchange traded derivatives as at 31.03.2020 (as at 31.03.2019 Nil).

9.3. Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(2)</sup>	17,433.62	17,517.14 <sup>(1)</sup>	18,056.32	18,428.28 <sup>(1)</sup>
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	1,583.08	280.34	374.25	193.73
	b) Liability (-MTM)	20.23	579.59	335.46	170.13
(iii)	Unhedged Exposures	31,232.11	6,522.56	11,626.06	5,907.41

<sup>(1)</sup> Interest rate derivatives include derivatives on rupee liabilities of ₹ 4,324.60 crore as at 31.03.2020 (As at 31.03.2019 ₹ 5,634.60 crore)

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 964.94 crore as at 31.03.2020 (As at 31.03.2019 covering USD / INR ₹ 587.82 crore).

9.4. Refer Note 34.2.3 and 34.2.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and 34.3 for disclosures related to hedge accounting.



## 10 Loans

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
<b>(A)</b>	<b>Loans to Borrowers</b>		
(i)	- Rupee Term Loans (RTLs)	3,31,444.41	2,99,463.59
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,031.28	1,759.67
(iv)	- Working Capital Loans	10,520.04	12,582.27
(v)	- Leasing (Refer Note 10.2)	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	444.09	396.64
(vii)	- Interest accrued but not due on Loans	4,945.14	4,630.80
(viii)	- Interest accrued & due on Loans	147.66	182.08
(ix)	- Unamortised Fee on Loans	(101.22)	(88.41)
	<b>Gross Loans to Borrowers*</b>	<b>3,49,896.16</b>	<b>3,19,391.40</b>
	Less: Impairment loss allowance	(15,783.56)	(16,181.04)
	<b>Net Loans to Borrowers</b>	<b>3,34,112.60</b>	<b>3,03,210.36</b>
<b>(B)</b>	<b>Security-wise classification</b>		
(i)	Secured by Tangible Assets	2,17,212.02	2,01,490.39
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	73,667.83	59,474.29
(iv)	Unsecured	59,016.31	58,426.72
	<b>Gross Security-wise classification</b>	<b>3,49,896.16</b>	<b>3,19,391.40</b>
	Less: Impairment loss allowance	(15,783.56)	(16,181.04)
	<b>Net Security-wise classification</b>	<b>3,34,112.60</b>	<b>3,03,210.36</b>
<b>(C) I</b>	<b>Loans in India</b>		
(i)	Public Sector	2,92,140.85	2,65,465.58
(ii)	Private Sector	57,755.31	53,925.82
	<b>Gross Loans in India</b>	<b>3,49,896.16</b>	<b>3,19,391.40</b>
	Less: Impairment loss allowance	(15,783.56)	(16,181.04)
	<b>Net Loans in India</b>	<b>3,34,112.60</b>	<b>3,03,210.36</b>
<b>(C) II</b>	<b>Loans Outside India</b>	-	-
	Less: Impairment loss allowance	-	-
	<b>Net Loans Outside India</b>	-	-
	<b>Net Loans in India and Outside India</b>	<b>3,34,112.60</b>	<b>3,03,210.36</b>

\*For details of Loans pledged as security refer Note 17.9, 17.10, 17.11 and 18.12.

10.1. During the year, the Company has sent letters to borrowers seeking confirmation of balances as at 31.03.2020 except where loans have been recalled or pending before court/NCLT.

Confirmations for 98.78% of the said balances have been received. Out of the remaining loans amounting to ₹ 4,191.19 crore for which balance confirmations have not been received, 22.75% loans are secured by tangible securities, 49.26% by way of Government Guarantee/ Loans to Government and 27.99% are unsecured loans.

#### 10.2. Details related to Lease Assets

Gross investment in leased assets and present value of minimum value receivable at the reporting date and value of unearned financial income are given in table below:

Particulars <sup>(a)</sup>	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
(i) Total of future undiscounted lease payments receivable (Gross Investment) <sup>(b)</sup>	280.04	305.75
(ii) Present value of lease payments receivable (Net Investments)	223.77	223.77
<b>Total unearned finance income (i-ii)</b>	<b>56.27</b>	<b>81.98</b>
<b>Maturity profile of total of future undiscounted lease payments receivable (Gross Investment):</b>		
0-1 year	25.70	25.70
1-2 years	25.70	25.70
2-3 years	25.70	25.70
3-4 years	25.70	25.70
4-5 years	25.70	25.70
Later than 5 years	151.54	177.25
<b>Total gross investment</b>	<b>280.04</b>	<b>305.75</b>

<sup>(a)</sup>Finance lease for financing wind turbine generators.

<sup>(b)</sup>Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

#### 10.3. Disclosures related to Securitization

- (i) The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2020 (As at 31.03.2019 Nil).
- (ii) The Company has entered into One Time Settlement scheme involving assignment of debt to Asset Reconstruction Company having principal outstanding of ₹ 1,917.44 crore along with interest and other charges during the year ended 31.03.2020. (Previous year Nil)
- (iii) The Company has not undertaken any assignment transaction during the year ended 31.03.2020 (Previous year Nil).
- (iv) The Company has neither purchased nor sold any non-performing financial assets to other NBFCs during the year ended 31.03.2020 (Previous year Nil).

10.4. Pursuant to implementation of resolution plans in case of three borrowers, an amount of ₹ 1,202.67 crore has been written off with reversal of corresponding impairment loss allowance of ₹ 1,374.28 crore during the FY 2019-20. Refer Note 11.6 for the details of instruments received under settlement.

10.5. For details of credit risk exposure and management by the Company, refer Note 34.2.1.

## 11 Investments

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020					
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	Total (1)+(4)+(5)
(A)	<b>Investments</b>						
(i)	<b>Debt securities</b>						
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]			810.05	810.05		810.05
(ii)	<b>Equity Instruments</b>						
	<b>Subsidiaries (Refer Note 11.2)</b>						
	- REC Ltd. [103,94,95,247 equity shares of ₹ 10 each]					14,500.50	14,500.50
	- PFC Consulting Ltd. [52,246 equity shares of ₹ 10 each]					0.15	0.15
	- Power Equity Capital Advisors Private Ltd. (Refer Note 11.3) [50,000 equity shares of ₹ 10 each]					0.05	0.05
	<b>Joint Venture (Refer Note 11.2)</b>						
	- Energy Efficiency Services Limited (Refer Note 11.4) [24,55,00,000 equity shares of ₹ 10 each]					245.50	245.50
	<b>Associates (Refer Note 11.2)</b>						
	- Companies for development of Ultra Mega Power Projects [50,000 equity shares of ₹ 10 each of each of 15 companies]					0.75	0.75
	<b>Others</b>						
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		46.50		46.50		46.50
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		195.57		195.57		195.57
	- NHPC Limited (Refer Note 11.8(a)) [23,44,73,240 equity shares of ₹ 10 each]		467.78		467.78		467.78
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-		-
	- GMR Chhattisgarh Energy Limited (Refer Note 11.8(b))		-		-		-
	- Shree Maheshwar Hydro Power Projects Limited (Refer Note 11.8(c))		-		-		-
	- RattanIndia Power Limited (Refer Note 11.6) [23,51,27,715 equity shares of ₹ 10 each]			31.74	31.74		31.74
(iii)	<b>Preference Shares</b>						
	- Raipur Energen Limited (Refer Note 11.6) [59,82,371 Redeemable Preference Shares of ₹ 100 each]	9.29					9.29
	- Ratnagiri Gas and Power Private Limited (Refer Note 11.7) [15,24,88,000 Cumulative Redeemable Preference Shares of ₹ 10 each]	-					-
	- RattanIndia Power Limited (Refer Note 11.6) [7,29,49,786 Redeemable Preference Shares of ₹ 10 each]	58.99					58.99
	- RattanIndia Power Limited (Refer Note 11.6) [10,99,93,397 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			100.58	100.58		100.58
(iv)	<b>Others</b>						
	- Units of "Small is Beautiful" Fund [61,52,200 units of ₹ 10 each]		6.12	-	6.12		6.12
	<b>Total Investments</b>	<b>68.28</b>	<b>715.97</b>	<b>942.37</b>	<b>1,658.34</b>	<b>14,746.95</b>	<b>16,473.57</b>
(B)	<b>Geography wise investment</b>						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	68.28	715.97	942.37	1,658.34	14,746.95	16,473.57
	<b>Gross Geography wise investment</b>	<b>68.28</b>	<b>715.97</b>	<b>942.37</b>	<b>1,658.34</b>	<b>14,746.95</b>	<b>16,473.57</b>
	Less: Impairment loss allowance (Refer Note 11.3 & 11.5)	-	-	-	-	(0.25)	(0.25)
	<b>Net Geography wise investment</b>	<b>68.28</b>	<b>715.97</b>	<b>942.37</b>	<b>1,658.34</b>	<b>14,746.70</b>	<b>16,473.32</b>

Sr. No.	Particulars	As at 31.03.2019					Total (1)+(4)+(5)
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	
(A)	<b>Investments</b>						
(i)	<b>Debt securities</b>						
	- 10.95% perpetual bonds of Andhra Bank [8,000 bonds of ₹ 10,00,000 each]			809.84	809.84		809.84
(ii)	<b>Equity Instruments</b>						
	<b>Subsidiaries</b>						
	- REC Ltd. [103,94,95,247 equity shares of ₹ 10 each]					14,500.50	14,500.50
	- PFC Consulting Ltd. [52,246 equity shares of ₹ 10 each]					0.15	0.15
	- Power Equity Capital Advisors Private Ltd. [50,000 equity shares of ₹ 10 each]					0.05	0.05
	<b>Joint Venture</b>						
	- Energy Efficiency Services Limited [24,55,00,000 equity shares of ₹ 10 each]					245.50	245.50
	<b>Associates</b>						
	- Companies for development of Ultra Mega Power Projects [50,000 equity shares of ₹ 10 each of each of 15 companies]					0.75	0.75
	<b>Others</b>						
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		88.14		88.14		88.14
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		331.24		331.24		331.24
	- NHPC Limited [24,44,73,240 equity shares of ₹ 10 each]		603.85		603.85		603.85
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-		-
	- GMR Chhattisgarh Energy Limited [27,50,00,000 equity shares of ₹ 10 each]		0.00		0.00		0.00
	- Shree Maheshwar Hydro Power Projects Limited [13,18,46,779 equity shares of ₹ 10 each]		0.00		0.00		0.00
(iii)	<b>Others</b>						
	- Units of "Small is Beautiful" Fund [61,52,200 units of ₹ 10 each]		6.18	-	6.18		6.18
	<b>Total</b>	-	1,029.41	809.84	1,839.25	14,746.95	16,586.20
(B)	<b>Geography wise investment</b>						
(i)	Investments Outside India	-	-	-	-	-	-
(ii)	Investments in India	-	1,029.41	809.84	1,839.25	14,746.95	16,586.20
	<b>Gross Geography wise investment</b>	-	1,029.41	809.84	1,839.25	14,746.95	16,586.20
	Less: Impairment loss allowance	-	-	-	-	-	-
	<b>Net Geography wise investment</b>	-	1,029.41	809.84	1,839.25	14,746.95	16,586.20

### 11.1 Movement of impairment loss allowance on investments

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening Balance	-	-
Add: Impairment loss allowance recognised during the year	0.25	-
Less: Write off of excess impairment loss allowance during the year	-	-
Closing Balance	0.25	-

### 11.2 Details of Investment in Subsidiaries, Joint Venture and Associates:

Sr. No.	Name of investee company	Principal place of business / Country of incorporation	Proportion of ownership interest as at	
			31.03.2020	31.03.2019
<b>I.</b>	<b>Subsidiaries :</b>			
(i)	REC Limited	India	52.63%	52.63%
(ii)	PFC Consulting Ltd.	India	100%	100%
(iii)	Power Equity Capital Advisors Private Ltd. (Refer Note 11.3)	India	100%	100%
<b>II.</b>	<b>Joint Venture :</b>			
(i)	Energy Efficiency Services Ltd. (Refer Note 11.4)	India	24.97%	36.36%
<b>III.</b>	<b>Associates* :</b>			
(i)	Coastal Maharashtra Mega Power Limited (Refer Note 11.5)	India	100%	100%
(ii)	Orissa Integrated Power Limited	India	100%	100%
(iii)	Coastal Karnataka Power Limited (Refer Note 11.5)	India	100%	100%
(iv)	Coastal Tamil Nadu Power Limited	India	100%	100%
(v)	Chhattisgarh Surguja Power Limited (Refer Note 11.5)	India	100%	100%
(vi)	Sakhigopal Integrated Power Company Limited	India	100%	100%
(vii)	Ghogarpalli Integrated Power Company Limited	India	100%	100%
(viii)	Tatiya Andhra Mega Power Limited (Refer Note 11.5)	India	100%	100%
(ix)	Deoghar Mega Power Limited	India	100%	100%
(x)	Cheyur Infra Limited	India	100%	100%
(xi)	Odisha Infrapower Limited	India	100%	100%
(xii)	Deoghar Infra Limited	India	100%	100%
(xiii)	Bihar Infrapower Limited	India	100%	100%
(xiv)	Bihar Mega Power Limited	India	100%	100%
(xv)	Jharkhand Infrapower Limited	India	100%	100%

\* Investment in each associate is ₹ 0.05 crore as at 31.03.2020 and 31.03.2019.

Note: -

- Investments in subsidiaries, joint venture and associates are measured at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.
- Associates are companies incorporated as SPVs under mandate from GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process.

11.3 Pursuant to approval from Ministry of Power (MoP), GoI the Company had applied for striking off the name of its wholly owned subsidiary Power Equity Capital Advisors Private (PECAP) Ltd. from the records of Registrar of Companies. The necessary Gazette Notification in this regard is yet to be issued by the Ministry of Corporate Affairs (MCA). Accordingly, the Company has created ₹ 0.05 crore of impairment loss allowance on its equity investment in the said subsidiary.

11.4 During the year, JV partners NTPC Ltd., PGCIL and RECL subscribed to additional 30,81,24,000 equity shares in EESL. The Company has not subscribed any additional equity during the year. Thus, Company's shareholding in equity share capital of EESL has reduced from 36.36% to 24.97%.

- 11.5 Upon receipt of communication from GoI for closure/ discontinuation of four UMPPs viz. Tatiya Andhra Mega Power Limited, Coastal Karnataka Power Limited, Coastal Maharashtra Mega Power Limited & Chhattisgarh Surguja Power Limited, and subsequent receipt of management approved financial statements with Nil assets and liabilities, the Company has created an impairment loss allowance of ₹ 0.20 crore on its equity investments in these associates.
- 11.6 During the year, subsequent to implementation of Resolution Plans, the Company has obtained the following investments:
- (a) 23,51,27,715 equity shares of ₹ 10 per share, 7,29,49,786 redeemable preference shares (coupon rate 0.001% pa) and 10,99,93,397 optionally convertible cumulative redeemable preference shares (OCCRPS) of ₹ 10 per share with a coupon rate of 0.001% pa redeemable at premium of RIPL (Rattan India Pvt Ltd)
- (b) 59,82,371 Redeemable Preference Shares (RPS) of ₹ 100 each of Raipur Energen Limited (previously known as GMR Chhattisgarh Energy Ltd). The RPS bears a dividend at the rate of 0.01% pa.
- 11.7 Subsequent to the implementation of demerger scheme, the Company has received 15,24,88,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of Ratnagiri Gas & Power Pvt Ltd. of ₹ 10 per share (valued at ₹ 1 as at 31.03.2020).
- 11.8 At initial recognition, the Company made an irrevocable election to present in other comprehensive income, subsequent changes in the fair value of investments in certain equity instruments. The Company's main operation is to provide financial assistance to power sector. Thus, in order to insulate Standalone Statement of Profit and Loss from price fluctuations of these instruments, the Management believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

Details of investment	No. of shares derecognised	Fair Value as on date of de-recognition	Cumulative gain/ (loss) on de-recognition
<b>FY 2019-20</b>			
NHPC Limited <sup>(a)</sup>	1,00,00,000	26.33	4.55
GMR Chhattisgarh Energy Ltd. <sup>(b)</sup>	27,50,00,000	-	(254.51)
Shree Maheshwar Hydro Power Corporation Limited (SMHPCL) <sup>(c)</sup>	13,18,46,779	-	-
<b>Total</b>			<b>(249.96)</b>
<b>FY 2018-19</b>			
Power Grid Corporation of India Limited	3,89,349	7.67	5.63
NHPC Limited <sup>(a)</sup>	1,60,68,811	44.02	8.93
<b>Total</b>			<b>14.56</b>

- (a) These equity shares were sold in tranches during the year. The fair value and gain have been computed based on the price as on the respective date of de-recognition and have been presented on aggregate basis.
- (b) During the year, 27,50,00,000 equity shares of GMR Chhattisgarh Energy Ltd. held by the Company, were transferred to a new promoter as a part of the package on implementation of resolution plan by way of transfer of ownership.
- (c) Pursuant to an MoU signed with SMHPCL (a borrower company) during the year, 661,00,000 equity shares received by PFC during FY 2016-17 on conversion of part subordinated debt, have been cancelled. Consequently, PFC has restored the subordinated debt at the same net carrying value of ₹ 1. Further, 6,57,46,779 equity shares held by PFC on account of invocation of pledged shares of Entegra Ltd. in SMHPCL have been handed over to Entegra Ltd during the year.

Subsequent to de-recognition of such investments, the Company has transferred the cumulative gain/loss on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the period. Refer Standalone Statement of Changes in Equity for further details.

11.9 Refer Note 34.4 for details of fair valuation of investments.

## 12 Other Financial Assets

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Recoverable on account of Government of India Serviced Bonds	5,038.72	5,038.21
(ii)	Advances to Subsidiaries and Associates*	155.05	196.22
(iii)	Advances to Employees	0.60	0.77
(iv)	Loans to Employees	93.11	76.68
(v)	Others	72.05	29.38
	Less: Impairment loss allowance on Others (Refer Note 12.2)	(20.41)	(10.30)
	<b>Total Other Financial Assets</b>	<b>5,339.12</b>	<b>5,330.96</b>

\*Recoverable in cash.

### 12.1 Detail of Loans & Advances to KMPs :

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans & Advances to KMPs (including interest accrued)	0.51	0.52

### 12.2 Movement of Impairment on Other Financial Assets

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance	10.30	2.51
Add: Creation during the year	12.22	7.83
Less: Reversal during the year	(2.11)	(0.04)
Closing balance	20.41	10.30

## 13 Current Tax Assets / Liabilities (Net)

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Advance income tax and TDS	461.93	433.33
(ii)	Tax deposited on income tax demands under contest	189.38	65.09
	<b>Current Tax Assets (Net)</b>	<b>651.31</b>	<b>498.42</b>
(i)	Provision for income tax for demand under contest	0.11	0.53
	<b>Current Tax Liabilities (Net)</b>	<b>0.11</b>	<b>0.53</b>



14 Property, Plant and Equipment (PPE) and Intangible Assets

Particulars	Property, Plant and Equipment							Intangible Assets	
	Freehold Land*	Buildings*	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	
<b>Gross Carrying Amount</b>									
<b>Opening Balance as at 01.04.2018</b>	3.38	24.92	17.07	16.32	9.27	0.20	71.16	9.46	
Additions / Adjustments	-	-	2.24	3.64	2.04	-	7.92	0.01	
Deductions / Adjustments	-	-	2.96	2.36	0.16	0.10	5.58	-	
<b>Closing Balance as at 31.03.2019</b>	3.38	24.92	16.35	17.60	11.15	0.10	73.50	9.47	
Additions / Adjustments	-	-	3.30	5.13	3.85	0.02	12.30	0.81	
Deductions / Adjustments	-	-	1.78	1.63	0.46	-	3.87	-	
<b>Closing Balance as at 31.03.2020</b>	3.38	24.92	17.87	21.10	14.54	0.12	81.93	10.28	
<b>Accumulated Depreciation / Amortisation</b>									
<b>Opening Balance as at 01.04.2018</b>	-	11.12	13.93	12.65	7.22	0.16	45.08	8.57	
For the period	-	0.67	1.90	2.59	0.70	0.01	5.87	0.31	
On Assets Sold/Written off from books	-	-	2.84	2.17	0.09	0.09	5.19	-	
<b>Closing Balance as at 31.03.2019</b>	-	11.79	12.99	13.07	7.83	0.08	45.76	8.88	
For the period	-	0.64	2.18	3.45	1.38	0.01	7.66	0.99	
On Assets Sold/Written off from books	-	-	1.51	1.21	0.12	-	2.84	-	
<b>Closing Balance as at 31.03.2020</b>	-	12.43	13.66	15.31	9.09	0.09	50.58	9.87	
<b>Net Carrying Amount</b>									
<b>As at 31.03.2019</b>	3.38	13.13	3.36	4.53	3.32	0.02	27.74	0.59	
<b>As at 31.03.2020</b>	3.38	12.49	4.21	5.79	5.45	0.03	31.35	0.41	

\*Refer Note 14.4

14.1 The Company reviews the estimated useful life, residual values and depreciation method of Property, Plant & Equipment and Intangible Assets at the end of each financial year and changes in estimates, if any, are accounted prospectively. Details of useful life of Property Plant & Equipment and Intangible Assets are as under:

Category	Building	EDP Equipment		Office Equipment	Cell Phone	Furniture and Fixture	Vehicles	Intangible Assets
		Servers and networks	End user devices i.e. desktops, laptops etc.					
Useful Life (in Years)	60	6	3	5	2	10	8	5
Residual value as a % of original Cost	5%	5%	5%	5%	5%	5%	5%	-

14.2 The estimated useful lives of the property, plant and equipment (PPE) is in line with the life prescribed in Schedule II of Companies Act, 2013, except for cell phones where useful life has been estimated as 2 years by the Company.

Depreciation on PPE is recognised so as to write off the cost of property, plant and equipment less their residual values as per written down value method, over the estimated useful lives. The intangible assets are amortised using straight-line method over their useful life.

14.3 In the opinion of management, there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

14.4 For details of assets pledged as security refer note 17.9 and 17.10.

**15 Right-of-use Assets****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	<b>Opening Balance of Leasehold Land</b>	-	-
(ii)	Additions (Refer Note 38)	36.20	-
(iii)	Less: Accumulated Depreciation*	0.45	-
	<b>Closing Balance of Leasehold Land</b>	<b>35.75</b>	<b>-</b>

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

**16 Other Non-Financial Assets****(₹ in crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
(i)	Prepaid Expenses	3.18	29.31
(ii)	Deferred Employee Costs	48.21	40.67
(iii)	Others	77.48	172.11
	<b>Total Other Non-Financial Assets</b>	<b>128.87</b>	<b>242.09</b>

## 17 Debt Securities

The Company has categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Bonds / Debenture		
	- Infrastructure Bonds (Refer Note 17.3)	278.63	278.63
	- Tax Free Bonds (Refer Note 17.4)	12,275.11	12,275.11
	- 54EC Capital Gain Tax Exemption Bonds (Refer Note 17.5)	1,918.54	784.10
	- Taxable Bonds (Refer Note 17.6)	1,72,930.24	1,67,774.95
	- Foreign Currency Notes (Refer Note 17.7)	27,892.78	8,298.60
(ii)	Commercial Paper (Refer Note 17.8)	-	9,715.92
(iii)	Interest accrued but not due on above	6,814.43	6,588.16
(iv)	Unamortised Transaction Cost on above	(262.06)	(130.98)
	<b>Total Debt Securities</b>	<b>2,21,847.67</b>	<b>2,05,584.49</b>
	<b>Geography wise Debt Securities</b>		
(i)	Debt Securities in India	1,93,872.39	1,97,222.82
(ii)	Debt Securities outside India	27,975.28	8,361.67
	<b>Total Geography wise Debt Securities</b>	<b>2,21,847.67</b>	<b>2,05,584.49</b>

17.1 The Company raises funds through various instruments including non-convertible bond issues. During the year, the Company has not defaulted in servicing of any of its debt securities.

17.2 As regards non-convertible Rupee denominated bonds, the previous due date for payment of principal and interest was 30.03.2020 and 31.03.2020 respectively.

**17.3 Details of Infrastructure Bonds outstanding are as follows:**

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
1	Infrastructure Bonds 86 D Series	8.72%	2.40	2.40	30.03.2027	Redeemable at par on a date falling Fifteen years from the date of allotment
2	Infrastructure Bonds 86 C Series	8.72%	0.87	0.87	30.03.2027	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
3	Infrastructure Bonds (2011-12) - Series III	8.75%	2.86	2.86	21.11.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
4	Infrastructure Bonds (2011-12) - Series IV	8.75%	7.77	7.77	21.11.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
5	Infrastructure Bonds (2010-11) - Series III	8.50%	5.27	5.27	31.03.2026	Redeemable at par on a date falling Fifteen years from the date of allotment
6	Infrastructure Bonds (2010-11) - Series IV	8.50%	19.33	19.33	31.03.2026	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment
7	Infra Bonds Private Placement Series I	8.43%	7.39	7.39	30.03.2022	Redeemable at par on a date falling ten years from the date of allotment
8	Infra Bonds Private Placement Series II	8.43%	15.47	15.47	30.03.2022	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
9	Infrastructure Bonds (2011-12) - Series I	8.50%	21.85	21.85	21.11.2021	Redeemable at par on a date falling ten years from the date of allotment
10	Infrastructure Bonds (2011-12) - Series II	8.50%	36.34	36.34	21.11.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
11	Infrastructure Bonds (2010-11) - Series I	8.30%	49.96	49.96	31.03.2021	Redeemable at par on a date falling ten years from the date of allotment
12	Infrastructure Bonds (2010-11) - Series II	8.30%	109.12	109.12	31.03.2021	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment
	<b>Total</b>		<b>278.63</b>	<b>278.63</b>		

**17.4 Details of Tax Free Bonds outstanding are as follows:**

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
1	7 35 Tax Free Bonds 3 A 2015 16	7.35%	213.57	213.57	17.10.2035	Redeemable at par on maturity
2	7 60 Tax Free Bonds 3 B 2015 16	7.60%	155.48	155.48	17.10.2035	
3	Tax Free Bonds 8 67 Bps Series	8.67%	1,067.38	1,067.38	16.11.2033	
4	Tax Free Bonds 8 92 Bps Series	8.92%	861.96	861.96	16.11.2033	
5	7 27 Tax Free Bonds 2 A 2015 16	7.27%	131.33	131.33	17.10.2030	
6	7 52 Tax Free Bonds 2 B 2015 16	7.52%	45.18	45.18	17.10.2030	
7	Tax Free Bonds 8 54 Bps Series	8.54%	932.70	932.70	16.11.2028	
8	Tax Free Bonds 8 79 Bps Series	8.79%	353.32	353.32	16.11.2028	
9	8 46 Tax Free Bond Series 107 B	8.46%	1,011.10	1,011.10	30.08.2028	
10	7.04% TR-2 Tax Free Bonds 12-	7.04%	10.25	8.89	28.03.2028	
11	7.54% TR 2 Tax Free Bonds 12-	7.54%	58.96	60.32	28.03.2028	

12	7.36% 15Years Tax Free Bonds 2012-13 TR-I Series-2	7.36%	162.72	159.81	04.01.2028	Redeemable at par on maturity
13	7.86% 15Years Tax Free Bonds 2012-13 TR-I Series-2	7.86%	194.28	197.19	04.01.2028	
14	Tax Free Bonds Series 95 B	7.38%	100.00	100.00	29.11.2027	
15	Tax Fee Bond Series 94B	7.38%	25.00	25.00	22.11.2027	
16	8.30% Public Issue Of Tax Free Bonds FY 11-12	8.30%	1,280.58	1,280.58	01.02.2027	
17	8.16% Tax Free Bond Series 80-	8.16%	209.34	209.34	25.11.2026	
18	7.75% Tax Free Bond Series 79-	7.75%	217.99	217.99	15.10.2026	
19	7.11 Tax Free Bonds 1 A 2015 16	7.11%	75.09	75.09	17.10.2025	
20	7.36 Taxfree Bonds 1B 2015-16	7.36%	79.35	79.35	17.10.2025	
21	7.16 Tf Sec Bnd Srs 136	7.16%	300.00	300.00	17.07.2025	
22	Tax Free Bonds 8 18 Bps Series	8.18%	325.07	325.07	16.11.2023	
23	Tax Free Bonds 8 43 Bps Series	8.43%	335.47	335.47	16.11.2023	
24	8.01 Tax Free Bond Series 107 A	8.01%	113.00	113.00	30.08.2023	
25	6.88% TR-2 Tax Free Bonds 12-	6.88%	52.90	52.38	28.03.2023	
26	7.38% TR-2 Tax Free Bonds 12-	7.38%	43.25	43.77	28.03.2023	
27	7.19% 10Years Tax Free Bonds 12-13 TR -I Series 1	7.19%	197.09	193.40	04.01.2023	
28	7.69% 10Years Tax Free Bonds 2012-13 TR-I Series-1	7.69%	145.66	149.35	04.01.2023	
29	Tax Free Bonds Series 95 A	7.22%	30.00	30.00	29.11.2022	
30	Tax Free Bond Series 94 A	7.21%	255.00	255.00	22.11.2022	
31	8.20% Public Issue Of Tax Free Bonds FY 11-12	8.20%	2,752.55	2,752.55	01.02.2022	
32	8.09% Tax Free Bond Series 80-	8.09%	334.31	334.31	25.11.2021	
33	7.51% Tax Free Bonds Series 79-	7.51%	205.23	205.23	15.10.2021	
	<b>Total</b>		<b>12,275.11</b>	<b>12,275.11</b>		

17.5 Details of 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Redemption details
			31.03.2020	31.03.2019	
1	Series III (FY 2019-20)	5.75%	1,134.44	-	Redeemable at par during FY 2024-25
2	Series II (FY 2018-19)	5.75%	491.95	491.95	Redeemable at par during FY 2023-24
3	Series I (FY 2017-18)	5.25%	292.15	292.15	Redeemable at par during FY 2020-21
	<b>Total</b>		<b>1,918.54</b>	<b>784.10</b>	

17.6 The details of Taxable Bonds outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
1	Series 190	8.25%	4,016.00	-	06.09.2034	Redeemable at par on maturity
2	Series 189	8.15%	4,035.00	-	08.08.2034	
3	Series 186	8.79%	2,578.90	-	30.04.2034	
4	Series 180	8.75%	2,654.00	2,654.00	22.02.2034	
5	Series 179-B	8.64%	528.40	528.40	19.11.2033	
6	Series 71	9.05%	192.70	192.70	15.12.2030	
7	Series 66-C	8.85%	633.00	633.00	15.06.2030	
8	Series 197	7.41%	5,000.00	-	15.05.2030	
9	Series 195	7.86%	1,100.00	-	12.04.2030	
10	Series 196	7.41%	2,500.00	-	25.02.2030	
11	Series 193	7.93%	4,710.50	-	31.12.2029	
12	Series 118 Option B III	9.39%	460.00	460.00	27.08.2029	
13	Series 187 B	8.85%	1,982.10	-	27.05.2029	
14	Series 179-A	8.67%	1,007.40	1,007.40	19.11.2028	
15	Series 178	8.95%	3,000.00	3,000.00	10.10.2028	
16	Series 177	7.85%	3,855.00	3,855.00	03.04.2028	

17	Series 103	8.94%	2,807.00	2,807.00	25.03.2028
18	Series 102 A (III)	8.90%	403.00	403.00	18.03.2028
19	Series 101 B	9.00%	1,370.00	1,370.00	11.03.2028
20	Series 172	7.74%	850.00	850.00	29.01.2028
21	Series 171	7.62%	5,000.00	5,000.00	15.12.2027
22	Series 170-B	7.65%	2,001.00	2,001.00	22.11.2027
23	Series 169-B	7.30%	1,500.00	1,500.00	07.08.2027
24	Series 168-B	7.44%	1,540.00	1,540.00	12.06.2027
25	Series 155	7.23%	2,635.00	2,635.00	05.01.2027
26	Series 152	7.55%	4,000.00	4,000.00	25.09.2026
27	Series 151-B	7.56%	210.00	210.00	16.09.2026
28	Series - 77-B	9.45%	2,568.00	2,568.00	01.09.2026
29	Series 150-B	7.63%	1,675.00	1,675.00	14.08.2026
30	Series - 76-B	9.46%	1,105.00	1,105.00	01.08.2026
31	Series 147	8.03%	1,000.00	1,000.00	02.05.2026
32	Series 71	9.05%	192.70	192.70	15.12.2025
33	Series 141-B	8.40%	1,000.00	1,000.00	18.09.2025
34	Series 66-B	8.75%	1,532.00	1,532.00	15.06.2025
35	Series 65 III	8.70%	1,337.50	1,337.50	14.05.2025
36	Series 130-C	8.39%	925.00	925.00	19.04.2025
37	Series 64	8.95%	492.00	492.00	30.03.2025
38	Series 131-C	8.41%	5,000.00	5,000.00	27.03.2025
39	Series 63-III	8.90%	184.00	184.00	15.03.2025
40	Series 128	8.20%	1,600.00	1,600.00	10.03.2025
41	Series 62-B	8.80%	1,172.60	1,172.60	15.01.2025
42	Series 126	8.65%	5,000.00	5,000.00	04.01.2025
43	Series 125	8.65%	2,826.00	2,826.00	28.12.2024
44	Series 61	8.50%	351.00	351.00	15.12.2024
45	Series 124 C	8.48%	1,000.00	1,000.00	09.12.2024
46	Series 192	7.42%	3,000.00	-	19.11.2024
47	Series 120 Option A	8.98%	961.00	961.00	08.10.2024
48	Series Option 120 B	8.98%	950.00	950.00	08.10.2024
49	Series 118 Option B II	9.39%	460.00	460.00	27.08.2024
50	Series 117 Option B	9.37%	855.00	855.00	19.08.2024
51	Series 57-C	8.60%	866.50	866.50	07.08.2024
52	Series 188	8.10%	691.10	-	04.06.2024
53	Series 85 D	9.26%	736.00	736.00	15.04.2023
54	Series 194	7.04%	1,400.00	-	14.04.2023
55	Series 102 A (II)	8.90%	403.00	403.00	18.03.2023
56	Series 100 B	8.84%	1,310.00	1,310.00	04.03.2023
57	Zero Coupon Unsecured Taxable Bonds 2022-XIX Series	-	605.94	560.45	30.12.2022
58	Series 176-B	7.99%	1,295.00	1,295.00	20.12.2022
59	Series 170-A	7.35%	800.00	800.00	22.11.2022
60	Series 191	7.35%	3,735.00	-	15.10.2022
61	Series 92 C	9.29%	640.00	640.00	21.08.2022
62	Series 181	8.45%	2,155.00	2,155.00	11.08.2022
63	Series 169-A	7.10%	3,395.00	3,395.00	08.08.2022
64	Series 168-A	7.28%	1,950.00	1,950.00	12.06.2022
65	Series 187 A	8.20%	1,605.00	-	27.05.2022
66	Series 88 C	9.48%	184.70	184.70	15.04.2022
67	Series 183	8.18%	3,751.20	3,751.20	19.03.2022
68	Series 154	7.27%	1,101.00	1,101.00	22.12.2021
69	Series 124 B	8.55%	1,200.00	1,200.00	09.12.2021
70	Series 123 C	8.66%	200.00	200.00	27.11.2021
71	Series 153	7.40%	1,830.00	1,830.00	30.09.2021
72	Series 151-A	7.47%	2,260.00	2,260.00	16.09.2021
73	Series 150-A	7.50%	2,660.00	2,660.00	16.08.2021
74	Series - 76-A	9.36%	2,589.40	2,589.40	01.08.2021
75	Series 115 III	9.20%	700.00	700.00	07.07.2021
76	Series 75-C	9.61%	2,084.70	2,084.70	29.06.2021
77	Series 74	9.70%	1,693.20	1,693.20	09.06.2021
78	Series 28	8.85%	600.00	600.00	31.05.2021
79	Series 146	8.05%	300.00	300.00	27.04.2021
80	Series 73	9.18%	1,000.00	1,000.00	15.04.2021
81	Series 175	7.75%	600.00	600.00	15.04.2021
82	Series 173-B	7.73%	1,325.00	1,325.00	05.04.2021
83	Series 173-A	7.73%	505.00	505.00	12.03.2021
84	Series 112-C	9.70%	270.00	270.00	31.01.2021
85	Series 72-B	8.99%	1,219.00	1,219.00	15.01.2021
86	Series 71	9.05%	192.70	192.70	15.12.2020
87	Series 70	8.78%	1,549.00	1,549.00	15.11.2020
88	Series 141-A	8.46%	1,000.00	1,000.00	18.09.2020
89	Series 163	7.50%	2,435.00	2,435.00	17.09.2020

Redeemable at par on maturity

90	Series 182	8.20%	3,500.00	3,500.00	14.09.2020	Redeemable at par on maturity
91	Series 140-B	8.36%	1,250.00	1,250.00	04.09.2020	
92	Series 138	8.45%	1,000.00	1,000.00	10.08.2020	
93	Series 137	8.53%	2,700.00	2,700.00	24.07.2020	
94	Series 68-B	8.70%	1,424.00	1,424.00	15.07.2020	
95	Series 167	7.30%	1,560.00	1,560.00	30.06.2020	
96	Series 165	7.42%	3,605.00	3,605.00	26.06.2020	
97	Series 66-A	8.65%	500.00	500.00	15.06.2020	
98	Series 166	7.46%	1,180.00	1,180.00	05.06.2020	
99	Series 149	8.04%	100.00	100.00	30.05.2020	
100	Series 159	7.05%	2,551.00	2,551.00	15.05.2020	
101	Series 65-II	8.70%	1,337.50	1,337.50	14.05.2020	
102	Series 131-B	8.38%	1,350.00	1,350.00	27.04.2020	
103	Series 130-B	8.42%	200.00	200.00	18.04.2020	
104	Series 85 C	9.30%	79.50	79.50	15.04.2020	
105	Series 157	6.83%	2,000.00	2,000.00	15.04.2020	
106	Series 102 B	8.87%	-	70.00	Repaid in FY 2019-20	Redeemed at par on respective maturity / call option exercise dates
107	Series 91 B	9.39%	-	2,695.20		
108	Series 64	8.95%	-	492.00		
109	Series 87 D	9.42%	-	650.80		
110	Series 63-II	8.90%	-	184.00		
111	Series 100 A	8.86%	-	54.30		
112	Series 127	8.36%	-	4,440.00		
113	Series 99 B	8.82%	-	733.00		
114	Series 112-B	9.70%	-	270.00		
115	Series 176-A	7.53%	-	1,500.00		
116	Series 62-A	8.70%	-	845.40		
117	Series 61	8.50%	-	351.00		
118	Series 124 A	8.52%	-	1,220.00		
119	Series 123 B	8.65%	-	836.00		
120	Series 60-B	FBIL G-Sec par yield+179 bps (floating rate)	-	925.00		
121	Series 122	8.76%	-	1,000.00		
122	Series 121 B	8.96%	-	1,100.00		
123	Series 59-B	8.80%	-	1,216.60		
124	Series 119 Option B	9.32%	-	1,591.00		
125	Series 118 Option B I	9.39%	-	460.00		
126	Series 57-B	8.60%	-	866.50		
127	Series 115 II	9.15%	-	100.00		
128	Series 135-B	8.50%	-	1,500.00		
129	Series 174	7.80%	-	3,300.00		
130	Series 148	7.95%	-	1,915.00		
131	Series 145	7.85%	-	2,928.00		
<b>Total</b>			<b>1,72,930.24</b>	<b>1,67,774.95</b>		

17.7 The details of Foreign Currency Notes outstanding are as follows:

Sr. No.	Bond Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
1	3.95% USD Bonds 2030	3.95%	5,653.94	-	23.04.2030	Redeemable at par on maturity
2	3.90% USD Bonds 2029	3.90%	3,392.36	-	16.09.2029	
3	4.50% USD Bonds 2029	4.50%	4,523.15	-	18.06.2029	
4	6.15% USD Bonds 2028	6.15%	3,769.29	3,457.75	06.12.2028	
5	5.25% USD Bonds 2028	5.25%	2,261.58	2,074.65	10.08.2028	
6	3.75% USD Green Bonds 2027	3.75%	3,015.44	2,766.20	06.12.2027	
7	3.25% USD Bonds 2024	3.25%	2,261.58	-	16.09.2024	
8	3.75% USD Bonds 2024	3.75%	3,015.44	-	18.06.2024	
<b>Total</b>			<b>27,892.78</b>	<b>8,298.60</b>		

17.8 The details of Commercial Papers outstanding are as follows:

Sr. No.	Commercial Paper Series	Coupon Rate (p.a.)	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
			31.03.2020	31.03.2019		
1	CP - 108	7.85%	-	3,000.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
2	CP - 109	7.39%	-	1,500.00		
3	CP - 106	7.15%	-	3,000.00		
4	CP - 105	7.44%	-	2,500.00		
Less: Unamortised Financial Charges			-	(284.08)		
<b>Total</b>			<b>-</b>	<b>9,715.92</b>		

**17.9** The following bond series are secured by first pari-passu charge on present and future receivables (excluding those receivables which are specifically charged for infra bonds issue during the FY 2010-11) along with first pari-passu charge on immovable property situated at Guindy, Chennai.

- (a) 7.51% Tax Free Bond Series 79-A
- (b) 7.75% Tax Free Bond Series 79-B
- (c) 8.09% Tax Free Bond Series 80-A
- (d) 8.16% Tax Free Bond Series 80-B
- (e) 7.21% Tax Free Bond Series 94- A
- (f) 7.38% Tax Free Bond Series 94-B
- (g) 7.22% Tax Free Bond Series 95-A
- (h) 7.38% Tax Free Bond Series 95-B
- (i) 8.43% Infra Bonds Private Placement Series I
- (j) 8.43% Infra Bonds Private Placement Series II
- (k) 8.72% Infrastructure Bonds Series 86C
- (l) 8.72% Infrastructure Bonds Series 86D
- (m) 8.50% 10 years Infrastructure Series Bonds (2011-12) Series-I
- (n) 8.50% 10 years Infrastructure Series Bonds (2011-12) Series-II
- (o) 8.75% 15 years Infrastructure Series Bonds (2011-12) Series-III
- (p) 8.75% 15 years Infrastructure Series Bonds (2011-12) Series-IV
- (q) 8.20% Tax Free Bonds (2011-12) Tranche-I Series-I
- (r) 8.30% Tax Free Bonds (2011-12) Tranche-I Series-II
- (s) 7.19% Tax Free Bonds (2012-13) Tranche-I Series-I
- (t) 7.69% Tax Free Bonds (2012-13) Tranche-I Series-I
- (u) 7.36% Tax Free Bonds (2012-13) Tranche-I Series-II
- (v) 7.86% Tax Free Bonds (2012-13) Tranche-I Series-II

**17.10** Infrastructure Bonds (2010-11) Series I, II , III and IV are secured by charge on specific book debt of ₹ 1153.06 crore as on 31.03.2020 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

**17.11** 54 EC Capital Gain Tax Exemption Bonds Series I, II & III, Taxable Bond Series 112-C and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company (excluding the receivables/book debts on which a specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.



**18 Borrowings (other than Debt Securities)**

The Company has categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109.

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
<b>(A)</b>	Term Loans		
<b>(i)</b>	From Banks and Financial Institutions		
	- Foreign Currency Loans (Refer Note 18.1)	172.38	4,676.17
	- Syndicated Foreign Currency Loans (Refer Note 18.2)	19,635.63	15,852.09
	- Rupee Term Loans (Refer Note 18.4)	49,598.98	38,703.55
<b>(ii)</b>	From other Parties		
	- Rupee Term Loans - GoI (Refer Note 18.6)	7,500.00	7,500.00
<b>(B)</b>	Other Loans from Banks		
<b>(i)</b>	Loan against Term Deposits (Refer Note 18.7)	-	12,737.18
<b>(ii)</b>	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer Note 18.8)	2,038.36	620.00
<b>(C)</b>	Interest accrued but not due on above	375.43	402.93
<b>(D)</b>	Unamortised Transaction Cost on above	(204.72)	(147.23)
	<b>Total Borrowings (other than Debt Securities)</b>	<b>79,116.06</b>	<b>80,344.69</b>
	<b>Geography wise Borrowings</b>		
<b>(i)</b>	Borrowings in India	59,448.04	59,899.66
<b>(ii)</b>	Borrowings outside India	19,668.02	20,445.03
	<b>Total Geography wise Borrowings</b>	<b>79,116.06</b>	<b>80,344.69</b>

18.1 Details of Unsecured Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	KFW I (Guaranteed by the Government of India)	48.26	48.05	Semi Annual Instalments Till 30.12.2035	Redeemable in semi annual instalments
2	ADB (Guaranteed by the Government of India)	79.46	82.80	Semi Annual Instalments Till 15.10.2028	
3	Credit National (Guaranteed by the Government of India)	44.66	50.24	Semi Annual Instalments Till 30.06.2028	
4	SBI FCNR(B)	-	1,728.88	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
5	ICICI Bank FCNR(B) - IV	-	691.55		
6	ICICI Bank FCNR(B) - III	-	691.55		
7	ICICI Bank FCNR(B) - II	-	691.55		
8	ICICI Bank FCNR(B)	-	691.55		
<b>Total Foreign Currency Loans</b>		<b>172.38</b>	<b>4676.17</b>		

18.2 Details of Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	SLN 29	1,884.65	-	20.12.2024	Bullet Repayment at the end of the tenor
2	SLN 27	1,143.01	1,024.32	01.02.2024	
3	SLN 26	1,884.65	1,728.88	26.09.2023	
4	SLN 23	1,884.65	1,728.88	22.03.2023	
5	SLN 22	1,884.65	1,728.88	28.02.2023	
6	SLN 21	2,261.57	2,074.65	12.12.2022	
7	SLN 28 USD	1,884.65	-	28.06.2022	
8	SLN 28 JPY	373.97	-	28.06.2022	
9	SLN 17	3,392.36	3,111.98	3 Equal Instalments (28.09.2020, 26.03.2021 and 24.09.2021)	Redeemable in three equal instalments
10	SLN 18	3,041.47	2,725.65	3 Equal Instalments (06.11.2020, 08.11.2021 and 04.11.2022)	Redeemable in three equal instalments
11	SLN 16	-	1,728.88	Repaid in FY 2019-20	Redeemed at par on maturity date
<b>Total Syndicated Foreign Currency Loans</b>		<b>19,635.63</b>	<b>15,852.09</b>		

18.3 Foreign Currency Borrowings as at 31.03.2020 in above Note No. 18.1 and 18.2 have been raised at interest rate spread ranging from 60 bps to 110 bps over 6 Months USD/JPY LIBOR (London Inter Bank Offered Rate).

18.4 Details of Rupee Term Loans outstanding are as follows:

(i) Secured Rupee Term Loans

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	Allahabad Bank	500.00	-	02.01.2027	Bullet Repayment at the end of the tenor
2	Allahabad Bank	1,800.00	-	29.06.2026	The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026
3	Oriental Bank of Commerce	225.00	-	30.09.2025	The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025
4	Bank of India	1,000.00	1,000.00	02.03.2025	The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025
5	Oriental Bank of Commerce	1,500.00	1,500.00	25.02.2025	There is a moratorium period of 2 years on principal repayment and after the completion of moratorium period of 02 years from date of disbursement, the loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025
6	Corporation Bank	500.00	-	30.09.2024	The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024
7	Canara Bank	1,000.00	-	29.06.2024	Bullet Repayment at the end of the tenor
8	Canara Bank	500.00	-	24.06.2024	
9	Canara Bank	500.00	-	21.06.2024	

10	Corporation Bank	800.00	1,000.00	15.03.2024	The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024
11	Bank of Maharashtra	750.00	750.00	11.03.2024	Moratorium: 2 years (8 quarters) from the date of 1st disbursement. Principal shall be repaid in 12 structured quarterly instalments, i.e. 4 instalments of ₹ 18.75 crore each from 9th-12th quarter, 4 instalments of ₹ 56.25 crore each from 13th-16th quarter and thereafter 4 instalments of ₹ 112.50 crore each from 17th-20th quarter
12	Canara Bank	1,000.00	1,000.00	20.02.2024	Bullet Repayment at the end of the tenor
13	Karnataka Bank	500.00	-	31.07.2022	The loan is to be repaid in 5 quarterly instalments of ₹ 100 crore each starting from 31-July-2021 and ending on 31-July-2022
14	UCO Bank	-	200.00	Repaid in FY 2019-20	Redeemed at par on maturity date
<b>Total Secured Rupee Term Loans</b>		<b>10575.00</b>	<b>5450.00</b>		

(ii) Unsecured Rupee Term Loans

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	Canara Bank	500.00	-	23.03.2026	Bullet Repayment at the end of the tenor
2	Union Bank of India	2,500.00	-	23.03.2025	
3	Oriental Bank of Commerce	1,000.00	-	20.03.2025	
4	Andhra Bank	800.00	-	15.01.2025	
5	State Bank of India	3,000.00	-	19.12.2024	
6	Bank of Baroda	2,000.00	-	15.04.2024	
7	Syndicate Bank	1,750.00	-	20.03.2024	The loan is to be repaid in 5 annual instalments comprising 2 instalment of ₹ 100 crore each and thereafter 3 instalment of ₹ 600 crore each starting from 15-Apr-2020 and ending on 15-Apr-2024
8	Bank of India	2,000.00	2,000.00	21.01.2024	
9	Canara Bank	500.00	500.00	15.01.2024	
10	Canara Bank	500.00	500.00	28.12.2023	
11	United Bank of India	995.00	1,000.00	24.12.2023	
12	HDFC Bank Ltd.	750.00	750.00	05.10.2023	
13	State Bank of India	5,999.98	6,000.00	27.09.2023	
14	UCO Bank	500.00	-	31.03.2023	
15	Indian Overseas Bank	400.00	-	31.03.2023	
16	Indian Overseas Bank	400.00	-	31.03.2023	
17	India Infrastructure Finance Company Limited	1,429.00	-	31.03.2022	
18	India Infrastructure Finance Company Limited	800.00	800.00	14.09.2021	
19	UCO Bank	1,000.00	1,000.00	23.08.2021	
20	India Infrastructure Finance Company Limited	271.00	-	25.03.2021	
21	Bank of Baroda	700.00	700.00	04.03.2021	
22	HDFC Bank Ltd.	750.00	750.00	30.09.2020	
23	Canara Bank	1,500.00	1,500.00	13.09.2020	
24	Bank of India	1,000.00	1,000.00	06.08.2020	
25	Andhra Bank	1,979.00	1,979.00	29.06.2020	
26	Vijaya Bank	2,000.00	2,000.00	19.06.2020	
27	Punjab National Bank	2,000.00	2,000.00	05.06.2020	
28	Punjab National Bank	2,000.00	2,000.00	24.05.2020	
29	India Infrastructure Finance Company Limited	-	775.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
30	Allahabad Bank	-	2,000.00		
31	Bank of Baroda	-	2,000.00		
32	Bank of Baroda	-	999.55		
33	State Bank of India	-	3,000.00		
<b>Total Unsecured Rupee Term Loans</b>		<b>39023.98</b>	<b>33253.55</b>		
<b>Total Rupee Term Loans (Unsecured &amp; Secure)</b>		<b>49598.98</b>	<b>38703.55</b>		

18.5 Borrowings as at 31.03.2020 in above Note 18.4 have been raised at respective bank's Benchmark rate plus spread ranging from 0 to 5 bps.

18.6 Details of Unsecured Rupee term Loan - GoI outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	National Small Savings Fund Scheme (NSSF) (Coupon rate - 8.11% p.a.)	7,500.00	7,500.00	27.12.2028	Bullet Repayment at the end of the tenor

18.7 Details of Loan against Term Deposits outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore)		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	Tamilnad Mercantile Bank	-	382.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
2	Punjab National Bank	-	1,525.44		
3	South Indian Bank	-	317.92		
4	Oriental Bank of Commerce	-	1,805.00		
5	Indian Bank	-	1,995.00		
6	Vijaya Bank	-	1,890.00		
7	Punjab National Bank	-	344.13		
8	Punjab National Bank	-	26.43		
9	Punjab National Bank	-	1,291.94		
10	Canara Bank	-	1,704.13		
11	UCO Bank	-	500.00		
12	HDFC Bank Ltd.	-	955.19		
	<b>Total Loan against Term Deposits</b>	-	<b>12,737.18</b>		

18.8 Details of Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

Sr. No.	Particulars	Principal Amount (₹ in crore) outstanding as at		Date of Redemption	Redemption details
		31.03.2020	31.03.2019		
1	State Bank of India (WCL)	1,200.00	-	15.04.2020	Bullet Repayment at the end of the tenor
2	Punjab National Bank (WCDL)	600.00	-	15.04.2020	
3	Punjab National Bank (OD)	238.36	-	Running facility	Running facility
4	Bank of India	-	250.00	Repaid in FY 2019-20	Redeemed at par on respective maturity dates
5	Punjab National Bank	-	370.00		
	<b>Total WCDL / OD / CC / Line of Credit</b>	<b>2,038.36</b>	<b>620.00</b>		

18.9 Borrowings in above Note 18.8 have been raised at rates ranging from 6.70% to 7.45% p.a.

18.10 None of the borrowings have been guaranteed by Directors.

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

18.12 Refer Note 10 for carrying values of the receivable pledged as security against secured rupee term loans. Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited)

## 19 Subordinated Liabilities

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Subordinated Liabilities</b>		
(i)	Subordinated Bonds (Refer Note 19.1)	9,211.50	9,211.50
(ii)	Interest accrued but not due on above	103.04	102.30
(iii)	Unamortised Transaction Cost on above	(3.59)	(4.10)
	<b>Total Subordinated Liabilities</b>	<b>9,310.95</b>	<b>9,309.70</b>
	<b>Geography wise Subordinated Liabilities</b>		
(i)	Subordinated Bonds in India	9,310.95	9,309.70
(ii)	Subordinated Bonds outside India	-	-
	<b>Total Geography wise Subordinated Liabilities</b>	<b>9,310.95</b>	<b>9,309.70</b>

19.1 Details of Subordinated Bonds are as under :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2020	As at 31.03.2019
1	Subordinated Tier II Debt Bond	2,000.00	2,000.00
2	Subordinated Tier II Debt Bond	1,000.00	1,000.00
3	Subordinated Tier II Debt Bond	800.00	800.00
4	Subordinated Tier II Debt Bond	2,411.50	2,411.50
5	Subordinated Tier II Debt Bond	1,000.00	1,000.00
6	Subordinated Tier II Debt Bond	2,000.00	2,000.00
	<b>Total</b>	<b>9,211.50</b>	<b>9,211.50</b>

## 20 Other Financial Liabilities

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

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Payable on account of Government of India Serviced Bonds (Refer Note 20.1)	5,038.72	5,038.21
(ii)	Advance received from Subsidiaries and Associates*	168.42	189.11
(iii)	Unclaimed Dividends (Refer Note 20.2)	3.48	3.16
(iv)	Unpaid - Bonds and Interest Accrued thereon (Refer Note 20.2)		
	- Unclaimed Bonds	0.53	1.15
	- Unclaimed Interest on Bonds	15.16	13.95
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.83	0.77
	- Interest Subsidy Fund (Refer Note 20.3)	17.31	15.96
	- Lease Liability (Refer Note 38)	8.81	-
	- Other liabilities	121.90	65.53
	<b>Total Other Financial Liabilities</b>	<b>5,375.16</b>	<b>5,327.84</b>

\*Payable in cash

### 20.1 Details of GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

Sr. No.	Bond Series	As at 31.03.2020	As at 31.03.2019
(i)	PFC Bond Series 164-GoI Fully Serviced Bond	2,000.00	2,000.00
(ii)	PFC Bond Series 160-GoI Fully Serviced Bond	1,465.00	1,465.00
(iii)	PFC Bond Series 158-GoI Fully Serviced Bond	1,335.00	1,335.00
(iv)	PFC Bond Series 156-GoI Fully Serviced Bond	200.00	200.00
(v)	Interest accrued on above	38.72	38.21
	<b>Total GoI Serviced Bonds (Unsecured Taxable Bonds)</b>	<b>5,038.72</b>	<b>5,038.21</b>

20.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. Out of the above, the amount eligible to be transferred to Investor Education and Protection Fund has been transferred.

### 20.3 Interest Subsidy Fund under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GoI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrowers is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate & period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes.

However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated that there is no net excess amount for both IX and X Plans as at 31.03.2020 (As at 31.03.2019 Nil and ₹ 16.04 crore respectively), under AG&SP schemes.

(ii) Balance under the head Interest Subsidy Fund shown under Other Financial Liability, representing amount of subsidy received from MoP, GoI, comprises of the following:

(₹ in crore)

Description	Year ended 31.03.2020	Year ended 31.03.2019
<b>Opening Balance</b>	<b>15.96</b>	<b>112.51</b>
Add: Received during the period	-	-
: Interest credited during the period	1.35	3.45
: Refund by the borrower due to non – commissioning of project in time	-	-
Less: Refunded to MoP :		
(a) Estimated net excess against IX & X Plan	-	100.00
(b) Due to non- commissioning of Project in time	-	-
<b>Closing Balance</b>	<b>17.31</b>	<b>15.96</b>

Interest subsidy passed on to borrowers during FY 2019-20 is ₹ 1.13 crore (previous year ₹ 1.95 crore).

## 21 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	For Employee Benefits (Refer Note 36):		
	- Gratuity	2.76	0.75
	- Leave Encashment	35.11	27.31
	- Economic Rehabilitation of Employees	2.89	1.69
	- Provision for Bonus / Incentive	28.18	33.74
	- Provision for Staff Welfare Expenses	14.88	13.80
(ii)	Impairment Loss Allowance - Letter of Comfort (Refer Note 21.1 & 21.2)	180.47	186.71
	<b>Total Provisions</b>	<b>264.29</b>	<b>264.00</b>

### 21.1 Movement of Impairment on Letter of Comfort

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Opening balance	186.71	195.39
Creation during the year	0.49	6.07
Reversal during the year	(6.73)	(14.75)
<b>Closing balance</b>	<b>180.47</b>	<b>186.71</b>

21.2 Letter of Comfort amounting to ₹ 870.49 crore (As at 31.03.2019 ₹ 1,019.06 crore) is in the nature of commitment to the borrowers, hence the impairment allowance on the same has been categorised as provisions in accordance with requirements of Ind AS 107.

## 22 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Unamortised Fee - Undisbursed Loan Assets	105.76	96.36
(ii)	Statutory dues payable	3.31	4.49
	<b>Total Other Non-Financial Liabilities</b>	<b>109.07</b>	<b>100.85</b>



## 23 Equity Share Capital

Sr. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	<b>Authorised Capital</b>				
	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)	<b>Issued, Subscribed and Fully Paid-up Capital</b>				
	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)	<b>Reconciliation of Equity Share Capital</b>				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the year	-	-	-	-
	<b>Closing Equity Share Capital</b>	<b>2,64,00,81,408</b>	<b>2,640.08</b>	<b>2,64,00,81,408</b>	<b>2,640.08</b>

### 23.1 Rights, preferences and restriction attached to equity shares

The Company had issued equity shares having par value of ₹ 10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

### 23.2 Shares in the Company held by each shareholder holding more than 5% of the shares

Sr. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		Number of Shares	% of Equity Share Capital	Number of Shares	% of Equity Share Capital
(i)	President of India	1,47,82,91,778	55.99%	1,55,88,89,417	59.05%
(ii)	HDFC Trustee Company Ltd	24,41,49,623	9.25%	19,88,98,595	7.53%
(iii)	Life Insurance Corporation of India	15,51,78,214	5.88%	15,63,20,146	5.92%
(iv)	UBS Principal Capital Asia Ltd	8,66,24,000	3.28%	14,22,38,384	5.39%

23.3 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

23.4 During the period of last 5 years, the Company has issued 132,00,40,704 bonus shares in the ratio of 1:1 during FY 2016-17 and has not bought back any shares.

23.5 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

23.6 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

23.7 Forfeited shares (amount originally paid up) : Nil

23.8 Capital Management : Refer Note 34.1

23.9 During FY 2019-20 Government of India (GoI) has transferred 7,63,13,829 and 42,83,810 numbers of equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of CPSE ETF and Bharat 22 ETF respectively.

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Debenture Redemption Reserve (Refer Note 24.1 (i))	-	2,014.25
(ii)	Securities Premium (Refer Note 24.1 (ii))	2,776.54	2,776.54
(iii)	Foreign Currency Monetary Item Translation Difference Account (Refer Note 24.1 (iii))	(1,441.18)	(769.72)
(iv)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 (Refer Note 24.1 (iv))	2,544.96	1,413.94
(v)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961 (Refer Note 24.1 (v))	2,514.17	3,740.21
(vi)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97 (Refer Note 24.1 (vi))	599.85	599.85
(vii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 (Refer Note 24.1 (vi))	18,848.40	17,498.27
(viii)	Interest Differential Reserve - KFW Loan (Refer Note 24.1 (vii))	61.40	60.00
(ix)	General Reserve (Refer Note 24.1 (viii))	10,983.81	7,438.68
(x)	Retained Earnings (Refer Note 24.1 (ix))	6,042.40	6,202.53
(xi)	Reserve for Equity Instruments through Other Comprehensive Income (Refer Note 24.1 (x))	(313.64)	(276.49)
(xii)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through Other Comprehensive Income (Refer Note 24.1 (xi))	(92.66)	(50.15)
	<b>Total</b>	<b>42,524.05</b>	<b>40,647.91</b>

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

#### 24.1 Nature and purpose of reserves

- (i) Debenture Redemption Reserve (DRR)  
In accordance with provisions of Section 71(4) of the Companies Act, 2013 as further clarified by the Companies (Share Capital and Debenture) Rules, 2014 issued by Ministry of Corporate Affairs, Govt. of India, the Company created Debenture Redemption Reserve (DRR) upto 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008 during the maturity period of such debentures, and no DRR is required in case of privately placed debentures. However, in terms of Companies (Share Capital and Debentures) Rules, 2014 read with Companies (Share Capital and Debentures) Amendments Rules, 2019, the Company is not required to create Debenture Redemption Reserve (DRR). Pursuant to such amendment, entire balance of DRR has been transferred to General Reserve during the year.
- (ii) Securities Premium  
It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.
- (iii) Foreign Currency Monetary Item Translation Difference Account  
It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (existing as on 31.03.2018) and are amortized over the tenure of the respective borrowings.
- (iv) Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934  
It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.
- (v) Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961  
It has been created to avail income tax deduction under section 36(1)(vii)(c) of Income Tax Act, 1961. The reserve so maintained shall be primarily utilised for adjustment of actual bad debts or part thereof. As per section 36(1)(vii)(c) of Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.
- (vi) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961  
It is maintained in order to enable the Company to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the company is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.
- (vii) Interest Differential Reserve - KFW Loan  
It represents difference between the interest due and interest paid on KFW loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the Foreign currency borrowing from KFW, is adjusted against this reserve. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW.
- (viii) General Reserve  
General Reserve includes the amounts appropriated from the profits of the Company and also amounts transferred from Statutory Reserves. In view of the erstwhile provisions of the Companies Act, 1956, the Company had transferred certain percentage of the profits to General Reserve before declaration of dividend. However, Companies Act, 2013 does not mandate transfer of profits to General Reserve before declaration of dividend.

(ix) Retained earnings

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

(x) Reserve for Equity Instruments through Other Comprehensive Income

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

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

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

**24.2 The details of dividend paid on equity shares of face value of ₹ 10 each is as under:**

Particulars	FY 2019-20			FY 2018-19		
	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)	% of Share Capital	Per equity share (₹)	Amount (₹ in crore)
Interim Dividend	95%	9.50	2,508.08	-	-	-
<b>Total Dividend</b>	<b>95%</b>	<b>9.50</b>	<b>2,508.08</b>	-	-	-

25 Interest Income

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Interest on Loans	32,069.35	28,595.06
	Less : Rebate for Timely Payment to Borrowers	(401.91)	(485.79)
(ii)	Interest on Deposits with Banks	160.72	201.00
(iii)	Other Interest Income	29.86	34.81
<b>B</b>	<b>On Financial Assets Classified at Fair Value Through Profit or Loss</b>		
(i)	Interest on Investment	89.81	87.60
(ii)	Other Income	2.59	-
	<b>Total Interest Income (A+B)</b>	<b>31,950.42</b>	<b>28,432.68</b>

## 26 Fees and Commission Income

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

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Prepayment Premium on Loans	79.58	107.27
(ii)	Fee based Income on Loans	43.38	21.81
(iii)	Fee for implementation of GoI Schemes (Refer Note 26.1 and 26.2)	-	19.94
	<b>Total Fees and Commission Income</b>	<b>122.96</b>	<b>149.02</b>

### 26.1 Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) :

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lent but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

The amount recoverable from borrowers & payable to GoI under R – APDRP scheme stands at ₹ 18,141.20 crore as at 31.03.2020 (₹ 16,507.55 crore as at 31.03.2019).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme from MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is 1.7% of likely project outlay under Part A & B of R-APDRP, subject to cap of ₹ 850 crore.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 357.86 crore as at 31.03.2020 (₹ 329.82 crore as at 31.03.2019).

### 26.2 Integrated Power Development Scheme (IPDS) :

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS scheme.

Amount of GOI grant administered to the eligible utilities till 31.03.2020 is ₹ 12,702.45 crore (₹ 8,083.17 crore as at 31.03.2019).

The Company is eligible for nodal agency fee at the rate of 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

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

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	On financial instruments at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	(696.26)	(84.98)
	- Change in Fair Value of Investments	(2.79)	-
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>(699.05)</b>	<b>(84.98)</b>
	<b>Fair value changes:</b>		
(i)	- Realised	145.56	153.85
(ii)	- Unrealised	(844.61)	(238.83)
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>(699.05)</b>	<b>(84.98)</b>

27.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

## 28 Other Income

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Excess Liabilities written back	0.18	-
(ii)	Miscellaneous Income	7.98	17.58
	<b>Total Other Income</b>	<b>8.16</b>	<b>17.58</b>

## 29 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	<b>On Financial Liabilities Measured At Amortised Cost</b>		
(i)	<b>Interest on Borrowings</b>		
	- Term Loans and Others	4,429.49	2,668.42
	- Interest on Lease Liability (Refer Note 38)	0.77	-
(ii)	<b>Interest on Debt Securities</b>		
	- Bonds / Debentures	15,932.23	15,402.97
	- Commercial Papers	433.33	491.85
(iii)	<b>Interest on Subordinated Liabilities</b>	851.51	364.87
(iv)	<b>Other Interest Expense</b>		
	- Interest on Interest Subsidy Fund (Refer Note 20.3 (ii))	1.35	3.46
	- Interest on Application Money - Bonds	0.06	0.08
	- Interest on advances received from Subsidiaries	5.07	6.18
	- Interest under Income Tax Act, 1961	0.17	5.86
(v)	- Swap Premium ( Net )	199.21	43.91
	<b>Total Finance Costs</b>	<b>21,853.19</b>	<b>18,987.60</b>

**30 Fees and Commission Expense**

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Agency Fees	1.33	0.74
(ii)	Guarantee, Listing and Trusteeship fees	1.57	2.72
(iii)	Credit Rating Fees	6.23	5.23
(iv)	Other Finance Charges	1.63	1.40
	<b>Total Fees and Commission Expense</b>	<b>10.76</b>	<b>10.09</b>

**31 Impairment on Financial Instruments**

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Loans	(463.58)	(870.60)
(ii)	Investment (acquired on settlement of loans)	81.75	-
(iii)	Write Offs - Loans	1,368.92	-
(iv)	Other Financial Instruments	10.11	7.79
(v)	Letter of Comfort	(6.23)	(8.67)
<b>B</b>	<b>On Financial Assets measured at Cost</b>		
(i)	Investment	0.25	-
	<b>Total Impairment on Financial Instruments</b>	<b>991.22</b>	<b>(871.48)</b>

31.1 Refer Note 34.2.1 for details of impairment on financial assets.

**32 Employee Benefit Expenses**

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Salaries and Wages	129.98	133.33
(ii)	Contribution to Provident and other Funds	14.79	12.68
(iii)	Staff Welfare Expenses	43.81	23.51
(iv)	Rent for Residential Accommodation of Employees (Refer Note 32.2)	5.24	4.05
	<b>Total Employee Benefit Expenses</b>	<b>193.82</b>	<b>173.57</b>

32.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 36.

32.2 Rent for Residential Accommodation of Employees is on account of rent (net of recoveries) on lease arrangements for premises which are taken for residential use of employees and are usually renewable on mutually agreed terms and are cancellable.

**33 Other Expenses**

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(i)	Rent, Taxes and Energy Cost (Refer Note 33.1)	4.99	23.86
(ii)	Repairs and Maintenance	5.40	4.46
(iii)	Communication Costs	1.61	2.78
(iv)	Printing and Stationery	1.64	1.69
(v)	Advertisement and Publicity	13.62	11.85
(vi)	Directors Fees, Allowance and Expenses	0.17	0.12
(vii)	Auditor's fees and expenses (Refer Note 33.2)	1.26	1.14
(viii)	Legal & Professional charges	6.73	8.65
(ix)	Insurance	0.18	0.26
(x)	Travelling and Conveyance	18.35	15.96
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	0.96	0.32
(xii)	Other Expenditure	34.00	37.74
	<b>Total Other Expenses</b>	<b>88.91</b>	<b>108.83</b>

33.1 Rent, Taxes & Energy Cost includes rent for premises taken on lease for official use and are usually renewable on mutually agreed terms and are cancellable.

33.2 Auditor's fees and expenses are as under :

(₹ in crore)			
Sr. No.	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Fee paid to Statutory Auditors:		
(i)	- As Auditor	0.46	0.53
(ii)	- For Taxation matters	0.12	0.07
(iii)	- For Company Law Matters (includes Limited Review Fees)	0.30	0.18
(iv)	- For Other services	0.33	0.31
(v)	- For Reimbursement of expenses	-	0.05
(vi)	Non-recoverable GST credit in respect of fees paid to auditors	0.05	-
	<b>Total - Auditor's fees and expenses</b>	<b>1.26</b>	<b>1.14</b>

## 34 Financial Instruments

### 34.1. Capital Management

The Company maintains a capital base that is adequate to support the Company's risk profile, regulatory and business needs. The Company sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 17, 18 & 19 for details w.r.t. sources of funds and refer Standalone Statement of Changes in Equity for details w.r.t Equity.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company regularly monitors the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital Risk Adjusted Ratio (CRAR) and other key financial parameters of the Company are as under:

Particulars	As at 31.03.2020	As at 31.03.2019
CRAR – Tier I Capital	12.45%	11.73%
CRAR – Tier II Capital	4.51%	5.36%
Total CRAR	16.96%	17.09%
Net Worth (₹ in crore)	45,164.13	43,287.99
Debt Equity Ratio*	6.72	6.66

\*calculated using principal outstanding of debt securities, borrowings and subordinated liabilities.

Details of Subordinated Debt / Perpetual Debt raised are as under:

Particulars	(₹ in crore)	
	FY 2019-20	FY 2018-19
Amount of subordinated debt raised as Tier-II capital	-	5,411.50
Amount raised by issue of Perpetual Debt Instruments	-	-

#### Dividend Distribution Policy

The Company has a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to GoI guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, the Company is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions. Though, the Company endeavours to declare dividend as per these guidelines, it may propose to MoP, a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the Company; etc. For details of dividend paid during the year, refer Note 24.2.

### 34.2. Financial Risk Management

The Company is exposed to several risks which are inherent to the environment that it operates in. The Company is into business of extending financial assistance to power sector. The principal risks which are inherent with the Company's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

The following table broadly explains sources of risks which the Company is exposed to and how it manages the same and related impact in the financial statements:



Note	Risk	Exposure arising from	Measurement	Risk Management
34.2.1	Credit Risk	Loans, investments, cash and cash equivalents, other financial assets	Ageing analysis	Detailed appraisal process, credit limits and collateral including government guarantee
34.2.2	Liquidity Risk	Debt securities, borrowings, subordinated liabilities and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
34.2.3	Market Risk – Foreign Currency Risk	Recognised financial liabilities not denominated in Indian Rupee (INR)	Sensitivity Analysis	Derivative contracts for hedging currency risk
34.2.4	Market Risk – Interest Rate Risk	Debt securities, Borrowings, subordinated liabilities and loans at variable rates	Interest rate gap analysis	Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc.
34.2.5	Market Risk – Price Risk	Investments in quoted equity securities	Sensitivity Analysis	Diversification of portfolio, with focus on strategic investments

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. Pursuant to RBI notification DNBR (PD) CC.NO/.099/03.10.001/2018-19; to augment risk management practices in the Company, the Board of Directors has also appointed a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. Company's objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

#### 34.2.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Company by failing to discharge its obligation. Details of financial assets that expose the Company to credit risk are:

(₹ in crore)		
Particulars	As at 31.03.2020	As at 31.03.2019
<b>Low Credit Risk</b>		
Cash and cash equivalents <sup>(A)</sup>	182.52	310.09
Bank balances other than included in cash and cash equivalents <sup>(A)</sup>	16.47	13,890.52
Loans (Principal Outstanding) <sup>(C)</sup>	2,84,211.50	2,75,658.63
Investments (Excluding equity investments) <sup>(A)</sup>	978.91	809.84
Other financial assets <sup>(B)</sup>	5,339.12	5,330.96
<b>Moderate Credit Risk</b>		
Loans (Principal Outstanding) <sup>(C)</sup>	32,821.38	9,467.99
<b>High Credit Risk</b>		
Loans (Principal Outstanding) <sup>(C)</sup>	27,871.70	29,540.31
Other financial assets <sup>(B)</sup>	20.41	10.30

- (A) Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, which meets the empanelment criteria as set out in the Company's policy. The Company has also set exposure limits for deployment of funds in various types of instruments with respective banks/ mutual fund houses.

For its investments, the Company manages its exposure to credit risk by placing funds in securities issued by counterparties having a high credit rating, periodic monitoring of such investments, and taking necessary actions when required.

- (B) Credit risk on other financial assets is evaluated based on Company's knowledge of the credit worthiness of those parties and managed by monitoring the recoverability of such amounts. The Company carries an impairment loss allowance of ₹ 20.41 crore on its other financial assets as at 31.03.2020 (as at 31.03.2019 ₹ 10.30 crore).
- (C) The Company is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below.

## **C.1 Credit Risk Management for Lending Operations**

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. The Company selects the borrowers in accordance with the Company's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by the Company.

### **(i) Project Appraisal**

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

#### **(a) Appraisal for Private Sector Power Projects**

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted by the Competent Authority on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package and interest rate) are stipulated.

#### **(b) Appraisal for State Sector Power Projects**

State sector projects are taken up for detailed appraisal to determine, inter-alia, if it is techno economically sound and compatible with integrated power development & expansion plans of the State.

The Company classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, the Company adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of Company's rating structure.

Such categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. The Company also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and the like are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of the Company as a lender for timely servicing of debt. The Company has an authorisation/ delegation structure for the approval and renewal of credit facilities commensurating with the size of the loan.

### **(ii) Security and Covenants**

The Company stipulates a package of security measures/covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, the Company adopts a combination of the following measures:

- (a) Primary Security -Charge on Project Assets
- (b) Collateral Securities - Corporate guarantee, State Government Guarantees, Personal guarantee of promoters, Pledge of shares of promoters, Charge on assets / revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

### **(iii) Project Monitoring**

The Company has a comprehensive project monitoring system that monitors and tracks project construction and implementation status; identifies risks where intervention is required to minimize the time & cost overruns and consequent slippages in disbursements.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where the Company is Lead Financial Institution (FI), the Company engages Lenders' Engineers (LEs) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The LEs conduct periodic site visits, review relevant documents, discuss with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilization of funds in the project periodically. In cases the Company is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction/implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularization of the account by recovering all overdues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, National Company Law Tribunal (NCLT) (IBC -2016) etc. and other actions as specified under regulatory/legal framework.

## **C.2 Credit Risk Measurement - Impairment Assessment**

### **I. Staging of loans**

The Company recognises impairment loss allowance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss. Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.
- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Additionally, the Company also considers any other observable input indicating a significant increase in credit risk.

- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category.

**II. Default:** In accordance with Ind AS 109, the Company considers the rebuttable presumption to define a financial instrument as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

### **III. Measurement of Expected Credit Loss (ECL)**

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has appointed an independent agency, ICRA Analytics Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

#### **(i) Probability of default (PD)**

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage I accounts, 12 months PD is used.

For Stage II significantly increased credit risk accounts, Lifetime PD is used.

For Stage III credit impaired accounts, 100% PD is taken.

For 12 month PD: PDs as associated with external ratings grades (published as a part of rating transition matrix of ICRA) have been used for assessment of ECL. In case of State Sector borrowers, the same have been derived on the basis of mapping with the Company's internal ratings. Whereas in case of private sector borrowers, the same have been derived on the basis of mapping with latest external ratings as published by various credit rating agencies. In case of non-availability of external rating for private sector borrowers, the 12-month PD has been computed through a Proxy Risk Scoring Model developed by the agency. The said model uses the financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative parameters like Plant Load Factor, LAF and ACS ARR gap.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

#### **(ii) Loss Given Default (LGD)**

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, LGD has been assigned on the basis of risk category considering State GDP and fiscal deficit.

In case of Private sector borrowers, LGD has been assessed considering factors like Project Cost per Unit, Percentage Completion, Project Capacity in case of generation projects and on the basis of book value of assets in case of transmission & distribution projects. The said assessed values have thereafter been discounted by applying stress factor and depreciation based on useful life of assets as published by CERC. Further, stage wise average LGD had been applied in case of other types of projects.

For Stage III borrowers, LGD has been assessed based on discounted projected cash flow analysis for operational projects and on assets valuation for projects under liquidation.

#### **(iii) Exposure at Default (EAD)**

It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

#### **(iv) Key assumptions used in measurement of ECL**

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

(v) The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the Credit Rating Models also consider the forward looking information in the determination of the credit rating to be assigned to the borrower, by taking into consideration various financial ratios and extension of the project completion. As such, the Base Case Scenario reflects the most appropriate basis for the computation of ECL for the Company.

### C.3 Credit risk analysis

#### (i) Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 10 'Loans' for Company's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Company would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 42 for exposure of Guarantee and Outstanding Disbursement Commitments.

#### (ii) Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio on the basis of similar risk characteristics:

Particulars	As at 31.03.2020		As at 31.03.2019	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
(₹ in crore)				
<b>Concentration by ownership</b>				
Loans to state sector (i.e. entities under the control of state and /or central government)	2,87,513.78	256.89	2,61,054.99	255.53
Loans to private sector	57,390.80	15,707.14	53,611.94	16,112.22
<b>Total</b>	<b>3,44,904.58</b>	<b>15,964.03</b>	<b>3,14,666.93</b>	<b>16,367.75</b>

\*including impairment loss allowance on Letter of Comfort of ₹ 180.47 crore (as at 31.03.2019 ₹ 186.71 crore)

The Company considers that loans to state sector have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Company has a lending portfolio comprising of loans to generation (renewable and non-renewable), transmission and distribution power projects spread across diverse geographical areas.

Particulars	As at 31.03.2020		As at 31.03.2019	
	Principal outstanding	Impairment loss allowance*	Principal outstanding	Impairment loss allowance*
(₹ in crore)				
<b>Concentration by sector</b>				
Generation	1,48,651.44	13,288.17	1,86,698.64	14,514.44
Renewable	19,210.17	453.98	15,384.60	452.41
Transmission	46,255.36	1,023.20	23,601.50	920.10
Distribution	5,007.05	63.95	47,641.61	3.27
Others	80,712.56	1,134.73	41,340.58	477.53
<b>Total</b>	<b>3,44,904.58</b>	<b>15,964.03</b>	<b>3,14,666.93</b>	<b>16,367.75</b>

\*including impairment loss allowance on Letter of Comfort of ₹ 180.47 crore (as at 31.03.2019 ₹ 186.71 crore)

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

(iii) Details regarding Concentration of Loans and Exposures:

(a) Concentration of Advances:

Description	As at 31.03.2020	As at 31.03.2019
Total Advances (Principal Outstanding) to twenty largest borrowers (₹ in crore)	2,06,588.74	1,88,278.21
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	59.90%	59.83%

(b) Concentration of Exposures:

Description	As at 31.03.2020	As at 31.03.2019
Total Exposure to twenty largest borrowers / customers (₹ in crore)	2,86,228.18	2,61,087.34
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	54.90%	53.87%

(c) Concentration of Stage III accounts:

Description	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Principal outstanding of top four Stage III accounts	13,883.24	13,847.63

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance:

Particulars	As at 31.03.2020			As at 31.03.2019		
	Principal Outstanding	Impairment loss allowance*	%	Principal Outstanding	Impairment loss allowance*	%
Stage I	2,84,211.50	441.67	0.15	2,75,658.63	863.03	0.31
Stage II	32,821.38	773.90	2.36	9,467.99	303.07	3.20
Stage III	27,871.70	14,748.46	52.92	29,540.31	15,201.65	51.46
<b>Total</b>	<b>3,44,904.58</b>	<b>15,964.03</b>	<b>4.63</b>	<b>3,14,666.93</b>	<b>16,367.75</b>	<b>5.20</b>

\*including impairment loss allowance on Letter of Comfort of ₹ 180.47 crore (as at 31.03.2019 ₹ 186.71 crore)

(v) The following tables explain the changes in the loans and the corresponding impairment loss allowance between the beginning and the end of the reporting period:

FY 2019-20	Stage I		Stage II		Stage III		Total	
	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*
<b>Opening Balance</b>	2,75,658.63	863.03	9,467.99	303.07	29,540.31	15,201.65	3,14,666.93	16,367.75
Transfer to Stage I	6,252.50	471.50	(5,324.44)	(0.51)	(928.06)	(470.99)	-	-
Transfer to Stage II	(29,742.96)	(55.06)	29,742.96	55.06	-	-	-	-
Transfer to Stage III	-	-	(924.31)	(301.68)	924.31	301.68	-	-
Net change in Principal/ECL during the year	5,369.59	(173.63)	(1,280.50)	717.73	46.40	567.78	4,135.47	1,111.88
New financial assets	41,482.62	81.98	1,691.92	0.34	75.00	30.80	43,249.54	113.11

originated								
Derecognised financial assets (loans repaid)	(14,112.42)	(275.39)	(552.24)	(0.12)	(836.20)	(7.33)	(15,500.87)	(282.84)
Financial Assets derecognised during the period (Write Off)	(636.64)	(410.93)	-	-	(732.28)	(674.55)	(1,368.92)	(1,085.48)
Financial Assets derecognised during the period (Investment Received)	(59.82)	(59.82)	-	-	(217.74)	(200.57)	(277.57)	(260.40)
<b>Closing Balance</b>	<b>2,84,211.50</b>	<b>441.67</b>	<b>32,821.37</b>	<b>773.90</b>	<b>27,871.70</b>	<b>14,748.46</b>	<b>3,44,904.58</b>	<b>15,964.03</b>

(₹ in crore)

FY 2018-19	Stage I		Stage II		Stage III		Total	
	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*	Principal	Impairment loss allowance*
<b>Opening Balance</b>	2,34,050.93	2,140.71	18,098.96	670.29	26,866.80	14,436.02	2,79,016.69	17,247.02
Transfer to Stage I	9,173.53	915.44	(8,356.63)	(275.40)	(816.90)	(640.04)	-	-
Transfer to Stage II	(7,528.26)	(10.84)	7,528.26	10.84	-	-	-	-
Transfer to Stage III	-	-	(3,956.35)	(249.17)	3,956.35	249.17	-	-
Change in Principal/ECL during the year	9,110.28	(2,194.85)	(991.23)	291.85	(448.08)	1,168.28	7,670.96	(734.72)
New financial assets originated	42,541.15	66.69	190.00	0.06	-	-	42,731.16	66.75
Derecognised financial assets	(11,689.00)	(54.11)	(3,045.02)	(145.40)	(17.86)	(11.79)	(14,751.88)	(211.30)
<b>Closing Balance</b>	<b>2,75,658.63</b>	<b>863.04</b>	<b>9,467.99</b>	<b>303.07</b>	<b>29,540.31</b>	<b>15,201.65</b>	<b>3,14,666.93</b>	<b>16,367.75</b>

\*Including impairment loss allowance on Letter of Comfort

(vi) Movement of Stage III accounts:

(₹ in crore)

Sr. No.	Description	As at 31.03.2020	As at 31.03.2019
(i)	Net Stage III accounts to Gross Loans (%)	3.80	4.56
(ii)	Net Stage III accounts to Net Loans (%)	3.97	4.79
		<b>FY 2019-20</b>	<b>FY 2018-19</b>
(iii)	Movement of Stage III (Gross)		
(a)	Opening balance	29,540.31	26,866.80
(b)	Additions during the year	1,045.69	3,793.33
(c)	Reductions during the year	(2,714.30)	(1,119.82)
(d)	Closing balance	27,871.70	29,540.31
(iv)	Movement of Net Stage III		
(a)	Opening balance	14,338.65	12,430.78
(b)	Additions during the year	88.50	1,969.78
(c)	Reductions during the year	(1,303.91)	(61.90)
(d)	Closing balance	13,123.24	14,338.65
(v)	Movement of impairment loss allowance on Stage III		
(a)	Opening balance	15,201.66	14,436.02
(b)	Provisions made during the year	957.21	1,823.55



	(c)	Write-off / write-back of excess provisions	(1,410.39)	(1,057.92)
	(d)	Closing balance	14,748.46	15,201.65

(vii) Percentage of Gross Stage III to Gross Loans – sector wise

Description	As at 31.03.2020	As at 31.03.2019
Power Sector	8.08%	9.39%

#### C.4 Policy on sales out of amortised cost business

The Company does not resort to the sale of financial assets, in ordinary course of business.

However, the Company has an approved policy that it may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109.

#### C.5 Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired

One of the borrowers having outstanding loan of ₹ 1,116.65 crore has obtained an ad-interim order from Hon'ble High Court of Delhi on 22.01.2020 for not taking any coercive measures against it. As at 31.03.2020, the Company holds adequate impairment loss allowance with respect to this loan account and has categorised it into Stage II. Further, interest income is not recognised on the loan during the half year ended 31.03.2020.

C.6 In accordance with RBI Circular on Implementation of Ind AS by NBFCs dated 13.03.2020, for calculation of following NPA ratios, credit impaired loans (Stage III) and loans which would have classified as NPA as per IRACP norms have been considered:

Particulars	As at 31.03.2020
Gross NPA to Gross Loans	8.39%
Net NPA to Net Loans	4.30%

#### C.7 Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and impairment allowance as per Ind AS 109

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	2,87,255.52	441.06	2,86,814.45	1,322.84	(881.78)
	Stage 2	33,713.58	773.89	32,939.69	238.46	535.43
	Stage 3	5,203.08	2,137.83	3,065.25	1,822.31	315.52
Subtotal		<b>3,26,172.17</b>	<b>3,352.78</b>	<b>3,22,819.39</b>	<b>3,383.61</b>	<b>(30.83)</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	755.11	0.08	755.03	73.78	(73.70)
	Stage 2	6.00	0.01	5.99	0.59	(0.58)
	Stage 3	923.18	520.69	402.49	275.41	245.29
Subtotal for Substandard		<b>1,684.30</b>	<b>520.78</b>	<b>1,163.52</b>	<b>349.78</b>	<b>171.01</b>
Doubtful - up to 1 year	Stage 1	7.60	0.02	7.57	1.48	(1.46)



1 to 3 years	Stage 1	313.73	0.01	313.72	91.81	(91.80)
Doubtful - up to 1 year	Stage 3	3,755.54	1,274.46	2,481.08	828.34	446.11
1 to 3 years	Stage 3	11,702.63	5,995.02	5,707.62	5,919.65	75.37
More than 3 years	Stage 3	5,018.92	3,399.22	1,619.70	3,578.09	(178.87)
Subtotal for doubtful		<b>20,798.42</b>	<b>10,668.73</b>	<b>10,129.69</b>	<b>10,419.37</b>	<b>249.36</b>
Loss	Stage 3	1,241.27	1,241.27	-	1,241.27	-
Subtotal for NPA		<b>23,723.99</b>	<b>12,430.78</b>	<b>11,293.21</b>	<b>12,010.41</b>	<b>420.37</b>
Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	0.49	(0.49)	-	0.49
	Stage 2	-	-	-	-	-
	Stage 3	-	179.98	(179.98)	-	179.98
Subtotal		-	180.47	(180.47)	-	180.47
<b>Total</b>	<b>Stage 1</b>	<b>2,88,331.96</b>	<b>441.67</b>	<b>2,87,890.29</b>	<b>1,489.91</b>	<b>(1,048.24)</b>
	<b>Stage 2</b>	<b>33,719.58</b>	<b>773.90</b>	<b>32,945.68</b>	<b>239.05</b>	<b>534.85</b>
	<b>Stage 3</b>	<b>27,844.62</b>	<b>14,748.46</b>	<b>13,096.16</b>	<b>13,665.06</b>	<b>1,083.40</b>
	<b>Total</b>	<b>3,49,896.16</b>	<b>15,964.03</b>	<b>3,33,932.13</b>	<b>15,394.02</b>	<b>570.01</b>

### 34.2.2 Liquidity Risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

In order to effectively manage liquidity risk, the Company endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to the Company's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Company's liquidity position is determined keeping in view the following factors:

- Current liquidity position;
- Anticipated future funding needs;
- Present and future earning capacity; and
- Available sources of funds.

The Company manages its day to day liquidity to ensure that the company has sufficient liquidity to meet its financial obligation as & when due. The long term liquidity is managed keeping in view the long term fund position and the market factors. This is in line with the Board approved framework and breaches, if any, are to be reported to the Board of Directors. The Company has never defaulted in servicing of its borrowings.

Further, for overall liquidity monitoring and supervision, the Company has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities. The mis-matches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

(i) The following table analyses the maturity pattern of items of financial liabilities by remaining maturity of contractual principal on an undiscounted basis:

(₹ in crore)

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total

<b>As at 31.03.2020</b>									
Domestic Borrowings	8,046.86	5,988.50	10,845.00	17,351.67	5,305.25	57,474.09	60,813.03	90,071.03	<b>2,55,895.42</b>
Foreign Currency Borrowings	5.40	-	6.09	1,130.79	2,156.10	11,493.88	10,231.67	22,676.86	<b>47,700.79</b>
<b>As at 31.03.2019</b>									
Domestic Borrowings	21,785.18	4,915.00	7,495.20	10,292.05	19,088.10	76,608.05	32,730.60	87,160.38	<b>2,60,074.56</b>
Foreign Currency Borrowings	696.50	-	2,080.35	-	3,468.40	4,971.67	9,235.95	8,373.99	<b>28,826.87</b>

In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

(ii) The following table analyses the maturity pattern of Derivative financial liabilities:

(₹ in crore)				
Particulars	Upto 1 year	1 – 5 years	More than 5 years	Total
<b>As at 31.03.2020</b>				
Forward	20.23	-	-	<b>20.23</b>
Option/ swaps	36.17	543.42	-	<b>579.59</b>
<b>Total</b>				<b>599.82</b>
<b>As at 31.03.2019</b>				
Forward	86.75	148.70	-	<b>235.45</b>
Option/ swaps	1.89	268.25	-	<b>270.14</b>
<b>Total</b>				<b>505.59</b>

The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparty banks. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

(iii) The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time. The Company has access to the following undrawn borrowing facilities:

(₹ in crore)		
Particulars	As at 31.03.2020	As at 31.03.2019
CC/ OD/ LoC / WCDL limits	5,270.00	6,950.00

### 34.2.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

(i) The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Company's foreign currency denominated borrowings is as follows:

Description	As at 31.03.2020		As at 31.03.2019	
	Creore in respective currency	₹ in Creore	Creore in respective currency	₹ in Creore
<b>USD Loans</b>	<b>571.05</b>	<b>43,049.43</b>	<b>361.20</b>	<b>24,978.60</b>
- Hedged	205.00	15,454.11	240.00	16,597.21
- Unhedged	366.05	27,595.32	121.20	8,381.39
<b>Euro Loans</b>	<b>1.12</b>	<b>92.91</b>	<b>1.27</b>	<b>98.30</b>
- Hedged	-	-	-	-
- Unhedged	1.12	92.91	1.27	98.30

<b>JPY Loans<sup>#</sup></b>	<b>6,544.80</b>	<b>4,558.45</b>	<b>6,007.88</b>	<b>3,749.97</b>
- Hedged	1,456.68	1,014.57	967.03	603.60
- Unhedged	5,088.12	3,543.88	5,040.85	3,146.37
<b>Total</b>		<b>47,700.79</b>		<b>28,826.87</b>

<sup>#</sup>includes JPY loan partly hedged through forwards covering USD/ INR exposure for ₹ 964.94 crore as at 31.03.2020 (as at 31.03.2019 ₹ 587.82 crore).

The foreign currency monetary items are translated at prevailing rate at the year-end as below:

<b>Exchange Rates</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
USD / INR	75.3859	69.1550
Euro / INR	83.0496	77.6725
JPY / INR	0.6965	0.6242

## (ii) Foreign currency risk monitoring and management

The Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organization for management of associated risks.

The Company enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per CRM policy, a system for reporting and monitoring of risks is in place wherein Risk Management Committee (RMC), consisting of senior executives of the Company, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitors, the currency risk for reporting to the Management. Parameters like hedging ratio, un-hedged exposure, mark-to market position, exposure limit with banks etc. are continuously monitored as a part of currency risk management.

## (iii) Foreign Currency Sensitivity Analysis

The following table presents the impact on total equity [Gain / (Loss)] for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

<b>Foreign Currency Liabilities</b>	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>	
	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
	<b>on account of change in foreign exchange rate</b>			
USD	1,379.77	(1,379.77)	419.07	(419.07)
Euro	4.65	(4.65)	4.92	(4.92)
JPY	177.19	(177.19)	157.32	(157.32)
<b>Total</b>	<b>1,561.61</b>	<b>(1,561.61)</b>	<b>581.31</b>	<b>(581.31)</b>

(₹ in crore)

### 34.2.4 Market Risk – Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

(i) Interest rate risk is managed with the objective to control market risk exposure while optimizing the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment

periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc.

## (ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 73.08 crore. (As at 31.03.2019 (+/-) ₹ 70.00 crore)

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

### 34.2.5 Market Risk - Price risk

(i) The Company is exposed to price risks arising from investments in listed equity shares and units of venture capital fund. Refer Note 11 'Investments' for Company's exposure to the same. The Company's equity investments are held for strategic rather than trading purposes.

#### (ii) Sensitivity Analysis

The table below represents the impact on P&L and OCI for 5% increase or decrease in the respective prices on Company's equity investments, outside the group and units of venture capital fund:

Particulars	As at 31.03.2020		As at 31.03.2019	
	Increase	(Decrease)	Increase	(Decrease)
Impact on P&L	1.59	(1.59)	-	-
Impact on OCI	35.80	(35.80)	51.47	(51.47)

(₹ in crore)

### 34.3. Hedge Accounting

Derivatives are measured at FVTPL unless designated under Hedge Accounting relationship. The Company has designated certain derivative contracts (Principal Only Swap and Interest Rate Swap) under cash flow hedge.

#### (i) Hedge Effectiveness

By critical terms matching method (where principal terms of the hedging instrument and the hedged item are same), the Company ensures that the hedges are highly effective i.e. hedge ratio is nearly 100% and the same is re-assessed at each reporting date.

#### (ii) Details of hedging instruments designated as Cash-flow hedge:

Sr. No.	Particulars	Nominal Amount (₹ in Crore)	Carrying Amount		Date of maturity	Weighted Average Rate / Strike Price
			Assets (₹ in Crore)	Liabilities (₹ in Crore)		
1.	POS	1,884.65	120.04	-	26.09.2023	4.12%
2.	POS	1,884.65	141.60	-	28.06.2022	4.53%
3.	POS	2,261.58	166.47	-	13.09.2024	4.43%
4.	IRS	1,884.65	-	183.34	26.09.2023	3.15%
5.	IRS	1,884.65	-	50.23	28.06.2022	1.76%

**(iii) Profile of timing of nominal amount of hedging instrument**

(₹ in crore)

Description (including derivative)	As at 31.03.2020	As at 31.03.2019
<b>POS</b>		
Upto 1 year	-	-
1 – 5 years	6,030.88	1,884.65
More than 5 years	-	-
<b>Sub Total (A)</b>	<b>6,030.88</b>	<b>1,884.65</b>
<b>IRS</b>		
Upto 1 year	-	-
1 – 5 years	3,769.30	1,884.65
More than 5 years	-	-
<b>Sub Total (B)</b>	<b>3,769.30</b>	<b>1,884.65</b>
<b>Total (A+B)</b>	<b>9,800.18</b>	<b>3,769.30</b>

**(iv) Reconciliation of Cash flow Hedge Reserve**

(₹ in crore)

Sr. No.	Particulars	FY 2019-20		FY 2018-19	
		POS	IRS	POS	IRS
i.	Cash flow hedge reserve at the beginning	(12.33)	(64.75)	-	-
ii.	Hedge ineffectiveness recognised in P&L	-	-	-	-
iii.	Hedging Gains / losses recognised in OCI	552.41	(175.13)	(98.97)	(64.73)
iv.	Amount reclassified from OCI to P&L	430.10 <sup>(a)</sup>	(6.08) <sup>(b)</sup>	(86.63) <sup>(a)</sup>	0.02 <sup>(b)</sup>
v.	Effective portion of gain/ (loss) on hedging instrument (iii-iv)	122.31	(169.05)	(12.33)	(64.75)
vi.	Cash flow hedge reserve at the end (i+v)	109.98	(233.80)	(12.33)	(64.75)
vii.	Cash flow hedge reserve at the end (net of tax)		(92.66)		(50.15)

<sup>(a)</sup> forms part of the line item 'Net Translation / Transaction exchange Gain / Loss' and<sup>(b)</sup> forms part of line item 'Finance Cost' in the Standalone Statement of Profit and Loss**34.4. Fair Value Measurements**

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

Sr. No.	Financial asset/ Financial Liability - Recurring fair value	Fair Value as at		Fair value hierarchy (Refer Note 5.1)	Valuation technique(s) & Key input(s)
		31.03.2020	31.03.2019		
1	Listed Equity investments	741.59	1,023.23	Level 1	The Company's investments in shares of PTC India Ltd., NHPC Ltd., Coal India Ltd. & Rattan India Power Limited are measured at their respective quoted market price.
2	Unlisted Equity investments	0.00	0.00	Level 3	Power Exchange India Ltd. – The value has been calculated as Nil on the basis of the financial statements of the investee company.

3	Optionally Convertible Cumulative Redeemable Preference Shares	100.58	0.00	Level 3	Rattan India Power Limited – Fair value has been calculated on the basis of discounted future cashflow as per terms of agreement.
4	Units of 'Small Is Beautiful' Fund of KSK	6.12	6.18	Level 2	Net asset value (NAV) specified by the SIB fund.
5	Investment in Bonds of Andhra Bank	810.05	809.84	Level 3	The Company invested in Tier 1 bonds of Andhra Bank in FY 2015-16. These bonds are listed on NSE. However, in absence of any trading in these bonds, the fair value as per Level 1 is not ascertainable. In absence of market interest rate for similar kind of bonds, the Company has considered the coupon rate as the present market rate and accordingly has computed the fair value using the discounted cash flow method. Any increase in the discount rate will result in decrease in fair value and vice-versa.
6	Derivative Financial Instruments			Level 2	The fair value of these contracts is obtained from counterparty banks, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc.
	- Assets	1,863.42	567.98		
	- Liabilities	599.82	505.59		

- i. There were no transfers between Level 1 and Level 2 in the period.
- ii. Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crore)

Particulars	Unlisted Equity investments	Investment in Bonds of Andhra Bank	Investment in Unlisted Convertible Cumulative Redeemable Preference Shares
<b>FY 2019-20</b>			
<b>Opening Balance</b>	<b>0.00</b>	<b>809.84</b>	<b>-</b>
Net interest income	-	87.81	-
Investment made during the year	-	-	94.73
Settlement	-*	(87.60)	-
Fair Value gain/ (loss)	-	-	5.85
<b>Closing Balance</b>	<b>0.00</b>	<b>810.05</b>	<b>100.58</b>
Unrealized gains/(loss) on balances held at the end of the period	-	<b>10.05</b>	<b>5.85</b>
<b>FY 2018-19</b>			
<b>Opening Balance</b>	<b>0.00</b>	<b>809.84</b>	<b>-</b>
Net interest income	-	87.60	-
Settlement	-	(87.60)	-
<b>Closing Balance</b>	<b>0.00</b>	<b>809.84</b>	<b>-</b>
Unrealized gains/(loss) on balances held at the end of the period	<b>(254.51)</b>	<b>9.84</b>	<b>-</b>

\* Refer Note 11.8(b),(c)

iii. Fair Value of financial assets/ liabilities measured at amortised cost:

The fair value of the following financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

(₹ in crore)

Asset/Liability	Fair value hierarchy	As at 31.03.2020		As at 31.03.2019	
		Amortised Cost	Fair Value	Amortised Cost	Fair Value
Loans	3	3,34,112.60	3,33,405.61	3,03,210.36	3,03,718
Other Financial Assets	2	5,339.12	5,343.52	5,330.96	5,336
Debt Securities <sup>(a)</sup>	1 / 2	2,21,847.67	2,24,795.43	2,05,584.49	2,01,965
Borrowings other than debt securities <sup>(b)</sup>	2	79,116.06	85,042.31	80,344.69	80,850.69
Subordinated Liabilities	2	9,310.95	10,138.66	9,309.70	9,407

<sup>(a)</sup>Includes listed instruments with Level 1 fair value hierarchy

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

<sup>(b)</sup> Includes foreign currency loans linked to LIBOR and multilateral agencies loans being valued at par.

The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

### 35 Related Party Disclosures

#### 35.1. Related Parties

Subsidiaries:					
1	PFC Consulting Limited (PFCL)	2	Power Equity Capital Advisors (Pvt) Limited (PECAP) (Refer Note 11.3)		
3	REC Limited (RECL) (formerly Rural Electrification Corporation Limited)	4	REC Transmission Projects Company Limited (through RECL)		
5	REC Power Distribution Company Limited (through RECL)				
Joint Ventures:					
1	Energy Efficiency Services Limited (EESL)	2	Creighton Energy Limited (through EESL)		
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisition Limited (through EESL)		
5	Anesco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)		
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)		
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)		
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)		
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)		
15	EPSL Trigenation Private Limited (through EESL)				
Associates:					
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited		
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited		
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited		
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited		
9	Bihar Infrapower Limited	10	Cheyur Infra Limited		
11	Deoghar Infra Limited	12	Tatiya Andhra Mega Power Limited		
13	Chhattisgarh Surguja Power Limited	14	Coastal Maharashtra Mega Power Limited		
15	Coastal Karnataka Power Limited				
Through PFCL					
16	Vapi II North Lakhimpur Transmission Limited	17	Karur Transmission Limited (incorporated on 20.11.2019)		
18	Shongtong Karcham-Wangtoo Transmission Limited (under process of Striking off the name of Company from the records of Registrar of Companies)	19	Bijawar-Vidarbha Transmission Limited (National Committee on Transmission (NCT) has already recommended for closure/de-notification of the scheme/ITP, however, formal gazette notification from MoP is awaited)		

20	Koppal- Narendra Transmission Limited (incorporated on 18.11.2019)	21	Tanda Transmission Company Limited (under process of Striking off the name of Company from the records of Registrar of Companies)
22	Bhuj-II Transmission Limited (transferred on 16.10.2019)	23	Fatehgarh-II Transco Limited (transferred on 14.10.2019)
24	Bikaner-Khetri Transmission Limited (transferred on 19.09.2019)	25	Lakadia-Vadodara Transmission Project Limited (transferred on 26.11.2019)
26	Meerut Simbhavali Transmission Limited (incorporated on 17.06.2019; transferred on 19.12.2019)		
<b>Through RECL</b>			
27	Dumka Transmission Limited	28	Dinchang Transmission Limited
29	Koderma Transmission Limited	30	Chandil Transmission Limited
31	Mandar Transmission Limited	32	Khetri Transco Limited (transferred on 29.08.2019)
33	Bhind-Guna Transmission Limited (transferred on 11.09.2019)	34	Rampur Sambhal Transco Limited (incorporated on 02.05.2019 and transferred on 12.12.2019)
35	Jam Khambaliya Transco Limited (transferred on 13.11.2019)	36	Udupi Kasagode Transmission Limited (transferred on 12.09.2019)
37	Ajmer Phagi Transco Limited (transferred on 03.10.2019)	38	WRSS XXI (A) Transco Limited (transferred on 14.10.2019)
39	Lakadia Banaskantha Transco Limited (transferred on 13.11.2019)		
<b>Key Managerial Personnel (KMP) of the Company:</b>		<b>Designation</b>	
1	Shri Rajeev Sharma (superannuated on 31.05.2020)	Chairman and Managing Director	
2	Shri Ravinder Singh Dhillon (Director (Projects) from 12.06.2019 till 31.05.2020)	Chairman and Managing Director (w.e.f. 01.06.2020)	
3	Shri N. B. Gupta	Director (Finance)	
4	Shri Chinmoy Gangopadhyay (superannuated on 30.04.2019)	Director (Projects)	
5	Shri P.K. Singh	Director (Commercial)	
6	Shri Arun Kumar Verma (upto 27.08.2019)	Government Nominee Director	
7	Shri Mritunjay Kumar Narayan (w.e.f. 28.08.2019)	Government Nominee Director	
8	Shri Sitaram Pareek (upto 05.02.2020)	Part Time Non-Official Independent Director	
9	Smt. Gouri Chaudhury	Part Time Non-Official Independent Director	
10	Shri Ram Chandra Mishra (w.e.f. 11.07.2019)	Part Time Non-Official Independent Director	
11	Shri Manohar Balwani	Company Secretary	
<b>Trusts / Funds under control of the Company</b>			
1	PFC Employees Provident Fund	2	PFC Employees Gratuity Fund
3	PFC Defined Contribution Pension Scheme 2007	4	PFC Superannuation Medical Fund
<b>Others</b>			
PTC India Limited			

### 35.2. Transactions with the Related Parties are as follows:

(₹ in crore)

Particulars	During FY 2019-20	During FY 2018-19
<b>Subsidiaries</b>		
Advances (including interest) to subsidiaries	0.78	-
Advances received (including interest) from subsidiaries	-	5.50
Repayment of advances (including interest) to subsidiaries	1.00	-
Dividend received from subsidiaries – PFCCCL	75.00	106.65
- RECL	1,143.44	-
Allocation of employee benefits	0.95	1.11
Others	0.02	-
<b>Joint Venture</b>		
Equity investment in EESL	-	99.00
Dividend received from EESL	2.37	4.01
Others	0.74	0.24
<b>Associates</b>		
Advances to associates	-	3.71



Recovery of advances (including interest) from associates	14.92	-
Interest income on advances to associates	20.51	26.68
Advances received from Associates	8.65	30.62
Interest expenses on advances from associates	5.07	6.14
<b>Trusts / Funds under control of the Company</b>		
Contributions made during the year	7.71	8.03
<b>Key managerial personnel</b>		
(i) Short term employee benefits	3.90	5.30
(ii) Post-employment benefits	0.44	0.46
(iii) Other long term benefits	0.33	0.24
<b>Sub Total (i+ii+iii)</b>	4.67	6.00
Repayment/ Recovery of loans and advances	0.10	0.18
Directors' Sitting Fees	0.16	0.12
<b>PTC India Limited</b>		
Dividend received	4.80	-
Others	0.02	0.04

### 35.3. Outstanding balances with Related Parties are as follows:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amount recoverable towards loans &amp; advances (including interest)</b>		
Associates	154.28	196.22
Key managerial personnel	0.51	0.52
Joint Venture	-	0.23
Subsidiaries	0.78	-
<b>Amount payable towards loans &amp; advances (including interest)</b>		
Subsidiaries	-	0.99
Associates	168.43	188.12
<b>Debt Securities</b>		
Key managerial personnel	0.42	0.13
Trusts/ Funds under control of the Company	3.70	4.30

### 35.4. Disclosure in respect of entities under the control of the same government (Government related entities)

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. During the year, the Company had transactions with the related entities under the control/ joint control of the same government including but not limited to:

Bhartiya Rail Bijlee Company Ltd.	Damodar Valley Corporation
Tehri Hydro Development Corporation	Power Grid Corporation of India Ltd.
Neyveli UP Power Ltd.	Bihar Grid Company Ltd.
Meja Urja Nigam Pvt Ltd.	Coal India Ltd.
Raichur Power Corporation Ltd.	NHPC Ltd.
NTPC Ltd.	Aravali Power Company Pvt Ltd.
NLC Tamil Nadu Power Limited	North East Transmission Company Ltd.
National High Power Test Laboratory Pvt Ltd	Neyveli Lignite Corporation Limited

Significant transactions with entities under the control of same government:

(₹ in crore)

Nature of Transaction	During FY 2019-20	During FY 2018-19
Dividend received	62.67	42.94
Disbursement of loans	3,333.33	4,427.79
Interest received	4,459.12	4,282.35
Repayment of principal received	5,554.11	3,754.07

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All the transactions have been carried out on market terms.

### 35.5. Major terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration and staff loans to Key Managerial Personnel are in line with the service rules of the Company.
- (iii) The Company makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the Company's policy.
- (iv) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- (v) Outstanding balances of group companies at the year-end are unsecured.

## 36 Employee Benefits

### 36.1 Defined contribution plans:

#### a) Pension

The Company pays fixed contribution under the Corporate Sector Model of National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Account (Pension Account) of the employees.

#### b) Provident Fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The trust has to ensure a minimum rate of return to the members, as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

An amount of ₹ 12.90 crore (previous year ₹ 10.82 crore) for the year is recognized as expense in the Standalone Statement of Profit and Loss on account of the Company's contribution to the defined contribution plans.

### 36.2 Defined benefit plans:

#### (a) Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)		
Particulars	As at 31.03.2020	As at 31.03.2019
(a) Present value of Defined benefit obligation	28.43	26.50
(b) Fair Value of Plan Assets	25.67	25.75
(c) Net Defined Benefit (Asset)/ Liability (a-b)	2.76	0.75

**Movement in net defined benefit (asset)/ liability**

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>26.50</b>	<b>25.57</b>	<b>25.75</b>	<b>24.07</b>	<b>0.75</b>	<b>1.50</b>
<b>Included in profit or loss</b>						
Current service Cost	1.78	1.82	-	-	1.78	1.82
Past service cost	-	-	-	-	-	-
Interest cost / income	2.07	2.03	2.01	1.89	0.06	0.14
<b>II. Total amount recognised in profit or loss</b>	<b>3.85</b>	<b>3.85</b>	<b>2.01</b>	<b>1.89</b>	<b>1.84</b>	<b>1.96</b>
<b>Included in OCI</b>						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	2.34	0.06	-	-	2.34	0.06
Actuarial loss (gain) arising from experience adjustment	(1.44)	0.19	-	-	(1.44)	0.19
Actuarial loss (gain) arising from changes in demographic assumptions	-	(1.26)	-	-	-	(1.26)
Return on plan assets excluding interest income	-	-	(0.03)	0.20	0.03	(0.20)
<b>III. Total amount recognised in OCI</b>	<b>0.90</b>	<b>(1.01)</b>	<b>(0.03)</b>	<b>0.20</b>	<b>0.93</b>	<b>(1.21)</b>
<b>IV. Contribution by participants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V. Contribution by employer</b>	<b>-</b>	<b>-</b>	<b>0.76</b>	<b>1.50</b>	<b>(0.76)</b>	<b>(1.50)</b>
<b>VI. Benefits paid</b>	<b>(2.82)</b>	<b>(1.91)</b>	<b>(2.82)</b>	<b>(1.91)</b>	<b>-</b>	<b>-</b>
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>28.43</b>	<b>26.50</b>	<b>25.67</b>	<b>25.75</b>	<b>2.76</b>	<b>0.75</b>

**(b) Post-Retirement Medical Scheme (PRMS)**

The Company has a Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated and deceased employees and their dependent family members. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Present value of Defined benefit obligation	42.00	35.14
(b) Fair Value of Plan Assets	37.07	28.51
(c) Net Defined Benefit (Asset)/ Liability (a-b)	4.93	6.63

**Movement in net defined benefit (asset)/ liability**

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset)/ Liability	
	For the year ended		For the year ended		For the year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>35.14</b>	<b>27.81</b>	<b>28.51</b>	<b>22.20</b>	<b>6.63</b>	<b>5.61</b>
<b>Included in profit or loss</b>						
Current service Cost	1.78	1.34	-	-	1.78	1.34
Past service cost	-	-	-	-	-	-
Interest cost / income	2.75	2.19	2.22	1.75	0.53	0.44
<b>II. Total amount recognised in profit or loss</b>	<b>4.53</b>	<b>3.53</b>	<b>2.22</b>	<b>1.75</b>	<b>2.31</b>	<b>1.78</b>
<b>Included in OCI</b>						
Re-measurement loss/ (gain)						
Actuarial loss (gain) arising from changes in financial assumptions	2.35	0.47	-	-	2.35	0.47
Actuarial loss (gain) arising from Experience adjustment	1.79	4.39	-	-	1.79	4.39
Actuarial loss (gain) arising from changes in demographic assumptions	-	0.44	-	-	-	0.44
Return on plan assets excluding interest income	-	-	0.92	0.09	(0.92)	(0.09)
<b>III. Total amount recognised in OCI</b>	<b>4.14</b>	<b>5.30</b>	<b>0.92</b>	<b>0.09</b>	<b>3.22</b>	<b>5.21</b>
<b>IV. Contribution by participants</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.04</b>	<b>(0.03)</b>	<b>(0.04)</b>
<b>V. Contribution by employer</b>	<b>-</b>	<b>-</b>	<b>6.95</b>	<b>6.53</b>	<b>(6.95)</b>	<b>(6.53)</b>
<b>VI. Benefits paid</b>	<b>(1.81)</b>	<b>(1.50)</b>	<b>(1.56)</b>	<b>(2.10)</b>	<b>(0.25)</b>	<b>0.60</b>
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>42.00</b>	<b>35.14</b>	<b>37.07</b>	<b>28.51</b>	<b>4.93</b>	<b>6.63</b>

**(c) Economic Rehabilitation Scheme (ERS)**

The Company has an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Present value of Defined benefit obligation	2.89	1.69

**Movement in defined benefit obligation**

(₹ in crore)

Particulars	Present value of Defined Benefit Obligation for the year ended	
	31.03.2020	31.03.2019
<b>I. Opening Balance</b>	<b>1.69</b>	<b>1.67</b>
<b>Included in profit or loss</b>		
Current service Cost	0.31	0.34
Past service cost	-	-
Interest cost / income	0.14	0.14
<b>II. Total amount recognised in profit or loss</b>	<b>0.45</b>	<b>0.48</b>
<b>Included in OCI</b>		

Actuarial loss (gain) arising from changes in financial assumptions	0.21	-
Actuarial loss (gain) arising from Experience adjustment	0.74	(0.38)
Actuarial loss (gain) arising from changes in demographic assumptions	-	-
Return on plan assets excluding interest income	-	-
<b>III. Total amount recognised in OCI</b>	<b>0.95</b>	<b>(0.38)</b>
IV. Contribution by participants	-	-
V. Contribution by employers	-	-
VI. Benefits paid	(0.20)	(0.08)
<b>VII. Closing Balance (I+II+III+IV+V+VI)</b>	<b>2.89</b>	<b>1.69</b>

#### (d) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

##### i. Investment risk

Most of the plan asset investments are in government securities, other fixed income securities with high grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

##### ii. Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

##### iii. Mortality rate risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### iv. Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### (e) Plan Assets

The value of plan assets for each category are as follows:

Particulars	(₹ in crore)	
	As at 31.03.2020	As at 31.03.2019
Cash & Cash Equivalents	1.46	0.41
State/ Central Government Debt Securities	31.33	28.67
Corporate Bonds/ Debentures	27.71	22.61
Others	0.80	1.40
<b>Total</b>	<b>61.30</b>	<b>53.09</b>

- As at 31.03.2020, an amount of ₹ 0.50 crore (as at 31.03.2019 ₹ 0.60 crore) is included in the value of plan assets in respect of the Company's own financial instruments (corporate bonds).
- Actual return on plan assets is ₹ 5.13 crore (previous year ₹ 3.86 crore).

#### (f) Significant actuarial assumptions

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2020 by TransValue Consultants. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuation are:-

Particulars	Gratuity		PRMS		ERS	
	As at	As at	As at	As at	As at	As at

	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Discount Rate & expected return on plan assets, if funded	6.76%	7.81%	6.76%	7.81%	6.76%	7.81%
Salary Escalation Rate/ Medical inflation rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality Rate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate	As per IALM (2012-14) Ultimate
Withdrawal rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

### (g) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019		
	Increase	Decrease	Increase	Decrease	
Discount rate (0.50% movement)					
- Gratuity	(1.13)	1.22	(0.99)	1.05	
- PRMS	(3.19)	3.59	(2.67)	3.00	
- ERS	(0.1)	0.12	(0.06)	0.07	
Salary Escalation/ Medical inflation Rate (0.50% movement)					
- Gratuity	0.31	(0.29)	0.25	(0.20)	
- PRMS	3.43	(3.15)	2.87	(2.64)	
- ERS	0.11	(0.09)	0.06	(0.05)	
Medical Cost (10% movement)					
- PRMS	4.59	(3.83)	3.51	(3.51)	

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

### (h) Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

Particulars	Gratuity		PRMS		ERS	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Up to 1 year	1.68	1.45	1.85	1.48	0.31	0.19
1 to 5 years	7.76	9.96	12.45	10.16	1.27	0.82
Over 5 years	49.85	48.01	54.92	41.39	3.14	2.59
<b>Total</b>	<b>59.29</b>	<b>59.42</b>	<b>69.22</b>	<b>53.03</b>	<b>4.72</b>	<b>3.60</b>

The table above is drawn on the basis of expected cash flows.

### (i) Expected contributions to post-employment benefit plans

(₹ in crore)

Particulars	Gratuity		PRMS	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Expected contribution	4.60	2.52	7.09	8.42

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.02 years (as at 31.03.2019: 16.98 years).

### 36.3 Other long term employee benefits

#### (a) Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be en-cashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 11.73 crore (previous year ₹ 10.14 crore) for the year has been made at the year end and debited to the Standalone Statement of Profit and Loss.

#### (b) Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 3.53 crore for the year (previous year ₹ 2.07 crore) has been made on the basis of actuarial valuation and debited to the Standalone Statement of Profit and Loss.

36.4 Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiaries on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

## 37 Disclosures related to 'Income Taxes'

### 37.1 Income tax expense recognised in Standalone Statement of Profit and Loss:

Particulars	₹ in crore)	
	FY 2019-20	FY 2018-19
<b>Current Tax expense in relation to:</b>		
Current Year	1,406.73	2,346.50
Adjustment of earlier years	17.75	1.22
<b>(A) Total Current Tax Expense</b>	<b>1,424.48</b>	<b>2,347.72</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	(20.29)	515.15
Relating to changes in tax rates or the imposition of new taxes	1,133.21	-
<b>(B) Total Deferred Tax Expense</b>	<b>1,112.92</b>	<b>515.15</b>
<b>(C) Total Income Tax Expense (A+B)</b>	<b>2,537.40</b>	<b>2,862.87</b>

### 37.2 Income tax expense recognised in Other Comprehensive Income:

Particulars	₹ in crore)	
	FY 2019-20	FY 2018-19
<b>Deferred Tax Expense</b>		
<b>(A) Items that will not be reclassified to Profit or Loss</b>		
Re-measurement of Defined Benefit Plans	(0.08)	(1.69)
<b>(B) Items that will be reclassified to Profit or Loss</b>		
Effective portion of Gains and Losses on Hedging Instruments in Cashflow Hedge	(4.23)	(26.93)
<b>(C) Total Deferred Tax Expense (A+B)</b>	<b>(4.31)</b>	<b>(28.62)</b>

### 37.3 Reconciliation of tax expense and accounting profit

Reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate:

Particulars	₹ in crore)	
	FY 2019-20	FY 2018-19

<b>Profit before Tax</b>	<b>8,192.54</b>	<b>9,815.79</b>
Company's Applicable Tax Rate	25.168%	34.944%
<b>Tax using the Company's applicable tax rate</b>	<b>2,061.90</b>	<b>3,430.03</b>
Tax effect of:		
Non-deductible tax expenses	96.52	39.90
Tax exempt income	(324.55)	(58.37)
Deduction u/s 36(1)(viii)	(339.80)	(551.39)
Others	(107.63)	1.48
Previous year tax liability	17.75	1.22
Change in tax rate*	1,133.21	-
<b>Total tax expenses in the Standalone Statement of Profit and Loss</b>	<b>2,537.40</b>	<b>2,862.87</b>

\*Applicable tax rate has decreased from 34.944% to 25.168% in the current financial year as 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.

#### 37.4 Deductible temporary differences / unused tax losses / unused tax credits carried forward

Particulars	As at 31.03.2020 (₹ in crore)	Expiry date	As at 31.03.2019 (₹ in crore)	Expiry date
Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised in the Standalone Balance Sheet	1.25	31.03.2024	1.25	31.03.2024
	2.54	31.03.2025	2.54	31.03.2025

#### 37.5 Movement in Deferred Tax balances:

##### FY 2019-20

(₹ in crore)

Description	Net balance at 01.04.2019	Recognised in Profit or Loss	Recognised in OCI	Others	Net balance at 31.03.2020
<b>(A) Deferred Tax Asset (+)</b>					
(i) Provision for expenses deductible on payment basis under Income Tax Act	26.77	(6.43)	0.08	-	20.42
(ii) Unamortised income on loans to borrowers	64.03	(12.04)	-	-	51.99
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	4,416.17	(1,025.98)	-	-	3,390.19
(iv) Depreciation and amortisation	0.98	0.51	-	-	1.49
(v) Fair value of derivatives (Net)	31.56	(24.91)	4.23	-	10.88
(vi) Others	-	20.60	-	-	20.60
<b>(B) Deferred Tax Liabilities (-)</b>					
(i) Lease income	(66.64)	18.65	-	-	(47.99)
(ii) Unamortised Exchange Loss (Net)	(271.19)	(93.88)	-	-	(365.07)
(iii) Unamortised expenditure on loan liabilities	(98.65)	18.61	-	-	(80.04)
(iv) Others	(42.30)	(8.05)	-	-	(50.35)
<b>Net Deferred Tax liabilities (-) /Assets (+)</b>	<b>4,060.73</b>	<b>(1,112.92)</b>	<b>4.31</b>	<b>-</b>	<b>2,952.12</b>

##### FY 2018-19

(₹ in crore)

Description	Net balance at 01.04.2018	Recognised in Profit or Loss	Recognised in OCI	Others	Net balance at 31.03.2019
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<b>(A) Deferred Tax Asset (+)</b>					
(i) Provision for expenses deductible on payment basis under Income Tax Act	15.35	9.73	1.69	-	26.77
(ii) Unamortised income on loans to borrowers	64.28	(0.25)	-	-	64.03
(iii) Impairment loss allowance on Financial instruments in excess of RBDD	4,843.90	(427.73)	-	-	4,416.17
(iv) Depreciation and amortisation	0.49	0.49	-	-	0.98
(v) Fair value of derivatives (Net)	1.64	2.99	26.93	-	31.56
<b>(B) Deferred Tax Liabilities (-)</b>					
(i) Lease income	(66.64)	-	-	-	(66.64)
(ii) Unamortised Exchange Loss (Net)	(135.61)	(135.58)	-	-	(271.19)
(iii) Unamortised expenditure on loan liabilities	(102.17)	3.52	-	-	(98.65)
(iv) Others	(73.98)	31.68	-	-	(42.30)
<b>Net Deferred Tax liabilities (-) /Assets (+)</b>	<b>4,547.26</b>	<b>(515.15)</b>	<b>28.62</b>	<b>-</b>	<b>4,060.73</b>

### 38 Leases

The Company had 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. The Company has recognised 'Right of Use Asset' of ₹ 36.20 crore and 'Lease Liability' of ₹ 8.81 crore with respect to leasehold land of the Company used as office premises. Prepaid rent on leasehold land, which was earlier classified under Other Non-Financial Assets, has been reclassified to Right-of-Use Assets. The impact of this adoption is insignificant on the net profit and EPS for the year ended 31.03.2020. Comparatives as at and for the year ended 31.03.2019 have not been restated.

Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**38.1** The table below shows the movement of lease liabilities during the year:

(₹ in crore)

Particulars	As at 31.03.2020
Opening balance	-
Additions during the year	8.81
Finance cost accrued during the period	0.77
Payment of lease liabilities	(0.77)
Closing balance	8.81

**38.2** The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As at 31.03.2020
Upto 1 year	0.77
1-5 years	3.09
More than 5 years	57.83

### 39 Dividend income

(₹ in crore)

Particulars	FY 2019-20	FY 2018-19
Dividend on equity investments designated at FVTOCI		

- Investments held at the end of the year	66.81	47.42
- Investments derecognized during the year	0.66	0.56
<b>Sub-Total</b>	<b>67.47</b>	<b>47.98</b>
Dividend on equity investments at cost (Subsidiaries, JVs)	1,220.81	110.66
Dividend on mutual funds	1.24	8.39
<b>Total</b>	<b>1,289.52</b>	<b>167.03</b>

#### 40 Net Translation/Transaction Exchange Loss (+)/Gain (-)

(₹ in crore)

<b>Net Translation/Transaction Exchange Loss (+)/Gain (-) on account of</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>
- Translation of Long term foreign currency monetary item (LTCMI) recognised on or after 01.04.2018 (Refer Note 5.14)	1,950.69	(42.85)
- Amortisation of Foreign Currency Monetary Item Translation Difference Account created on LTCMI recognised upto 31.03.2018	682.73	563.10
<b>Total</b>	<b>2,633.42</b>	<b>520.25</b>

#### 41 Corporate Social Responsibility

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

(₹ in crore)

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	135.86	148.15
Add : Carry forward from previous year	178.88	131.23
<b>Gross amount required to be spent</b>	<b>314.74</b>	<b>279.38</b>
Less : Amount spent during the year	97.15	100.50
<b>Unspent amount</b>	<b>217.59</b>	<b>178.88</b>

41.2 Amount spent during the year on CSR activities:

(₹ in crore)

Sr. No.	Particulars	FY 2019-20			FY 2018-19		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	11.88	-	11.88	8.18	-	8.18
(iib)	Education / Vocational Skill development	23.20	-	23.20	16.94	-	16.94
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	21.49	-	21.49	17.89	-	17.89
(iid)	Sports	-	-	-	-	-	-
(iie)	Others	36.55	-	36.55	52.20	-	52.20
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	4.03	-	4.03	5.29	-	5.29
	<b>Total</b>	<b>97.15</b>	<b>-</b>	<b>97.15</b>	<b>100.50</b>	<b>-</b>	<b>100.50</b>

#### 42 Contingent Liabilities and Commitments

(₹ in crore)

Sr. No.	Description	As at 31.03.2020	As at 31.03.2019
<b>Contingent Liabilities</b>			
(i)	Guarantees <sup>(a)</sup>	81.02	117.39
(ii)	Claims against the Company not acknowledged as debts	-	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	870.49	1,019.06
(iv) <sup>(b)</sup>	- Additional demands raised by the Income Tax Department of earlier years which are being contested in the current year	88.14	62.23

	- Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company. The same are also being contested.	302.10	203.00
(v)	- Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	20.56	1.04
	- Further, the Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	46.31	21.53
<b>Commitments</b>			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	430.40	430.40
(ii)	Contractual commitments for the acquisition of intangible assets	-	-
(iii)	Other Commitments – CSR unspent amount	217.59	178.88
<b>Total</b>		<b>2,056.61</b>	<b>2,033.53</b>

<sup>(a)</sup> Default payment guarantee given by the Company in favour of a borrower company. The amount paid /payable against this guarantee is reimbursable by Government of Madhya Pradesh.

<sup>(b)</sup> During the year, the Company has opted for Vivad Se Vishwas Scheme in respect of pending litigations pertaining to some earlier years under Income Tax Act, 1961. It has paid an additional sum of ₹ 116.90 crore in March 2020 as advance towards disputed tax in respect of appeals filed by Income Tax Department in order to settle departmental appeals under Vivad se Vishwas Scheme.

**43** There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2020 (Nil as at 31.03.2019). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

**44 Disclosure as per Ind AS 33 “Earnings per Share”**

Description	FY 2019-20	FY 2018-19
Profit for the period used as numerator (basic & diluted) (₹ in crore) :		
- from continuing operations	5,655.14	6,952.92
- from discontinued operations	-	-
- from continuing and discontinued operations	5,655.14	6,952.92
Weighted average number of equity shares used as denominator (basic & diluted)	2,64,00,81,408	2,64,00,81,408
Earning per equity share (basic & diluted), face value ₹ 10 each (₹) :		
- for continuing operations	21.42	26.34
- for discontinued operations	-	-
- for continuing and discontinued operations	21.42	26.34

**45 (a) Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir**

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT , the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

**(b) Status of documentation subsequent to reorganization of the State of Andhra Pradesh**

Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest /

principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.

#### 46 Exposures

**46.1** RBI has categorized the Company as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated 12<sup>th</sup> February 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending & investing taken together can be upto 30% and 50% of owned funds, respectively.

In respect of Central/State Government entities, RBI has exempted the Company from applicability of its concentration of credit/investment norms till 31.03.2022. The Company continues to follow MoP approved credit concentration norms for these entities.

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

The Company has not exceeded applicable prudential exposure limits against Single Borrower / Group Borrower during FY 2019-20 and FY 2018-19.

**46.3** The Company does not have any exposure to real estate sector.

**46.4** Exposure to Capital Market:

(₹ in crore)			
Sr. No.	Description	Amount as at 31.03.2020	Amount as at 31.03.2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	15,657.40	15,770.18
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,628.55	2,629.16
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.12	6.18
<b>Total Exposure to Capital Market</b>		<b>18,292.07</b>	<b>18,405.52</b>

**46.5** Details of financing of parent company products:

The Company does not have a parent company.

#### 47 Asset Liability Management - Maturity pattern of items of Assets and Liabilities:

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

(₹ in crore)

Bucket as at 31.03.2020	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	0.00	1,529.70	8,046.86	0.00	5.40
Over 1 Month upto 2 Months	1,519.90	492.70	5,988.50	0.00	0.00
Over 2 Months upto 3 Months	0.00	416.63	10,845.00	0.00	6.09
Over 3 Months & upto 6 Months	0.00	3,511.49	17,351.67	0.00	1,130.79
Over 6 Months upto 1 Year	0.00	18,837.19	5,305.25	0.00	2,156.10
Over 1 Year & upto 3 Years	0.00	59,187.06	57,474.09	0.00	11,493.88
Over 3 Years & upto 5 Years	0.00	56,046.51	60,813.03	0.00	10,231.67
Over 5 Years	14,953.42	1,90,314.82	90,071.03	0.00	22,676.86
<b>Total</b>	<b>16,473.32</b>	<b>3,30,336.11</b>	<b>2,55,895.42</b>	<b>0.00</b>	<b>47,700.79</b>

(₹ in crore)

Bucket as at 31.03.2019	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
Upto 30/31 Days	14,133.64	4,955.46	21,785.18	-	696.50
Over 1 Month upto 2 Months	1,833.07	1,928.13	4,915.00	-	-
Over 2 Months upto 3 Months	-	1,264.76	7,495.20	-	2,080.35
Over 3 Months upto 6 Months	-	9,225.21	10,292.05	-	-
Over 6 Months upto 1 Year	-	16,559.51	19,088.10	-	3,468.40
Over 1 Year & upto 3 Years	-	50,663.28	76,608.05	-	4,971.67
Over 3 Years & upto 5 Years	-	49,879.10	32,730.60	-	9,235.95
Over 5 Years	-	1,65,146.63	87,160.38	23.84	8,373.99
<b>Total</b>	<b>15,966.71</b>	<b>2,99,622.08</b>	<b>2,60,074.56</b>	<b>23.84</b>	<b>28,826.87</b>

#### 48 Disclosure of Penalties imposed by RBI and other regulators during the year

NSE and BSE vide their letters dated 03.02.2020 have levied fine on the Company for non-compliance in regard to composition of Board of Directors. The Company in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. The Company has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. During the previous year, NSE & BSE had also levied fine on the Company for the similar reason.

#### 49 Credit Ratings

49.1 Ratings assigned by credit rating agencies as at 31.03.2020 and migration of ratings during the year:

Sr. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

There has been no migration of ratings during the year.

49.2 Long term foreign currency issuer rating assigned to the Company as at 31.03.2020:

Sr. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-
2.	Standard & Poor (S&P)	BBB-
3.	Moody's	Baa3

#### 50 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

(₹ in crore)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
1	Impairment loss allowance towards loans, investments and letter of comfort	980.86*	(879.27)

2	Impairment loss allowance on other receivables	10.11	7.79
3	Impairment loss allowance on investment	0.25	-
4	Provision made towards Income tax	1,424.48	2,347.72

\*including write off of loans ₹ 1,368.92 crore

**51 Customer Complaints for FY 2019-20**

No complaints have been received by the Company from its borrowers during the year ended 31.03.2020. (Previous year Nil).

**52 Details of registrations obtained from regulators**

Sr. No.	Regulator	Particulars	Registration Details
1.	Ministry of Corporate Affairs	Corporate Identification Number	L65910DL1986GOI024862
2.	Reserve Bank of India	Registration Number	B- 14.00004
3.	Legal Entity Identifier India Ltd	LEI Number	3358003Q6D9LIJZ1614

**53** (a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS – 110.

(b) The Company does not have any Overseas Assets in the form of Joint Ventures / Subsidiaries abroad.

(c) There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

**54 Draw Down from reserves**

Reference may be made to Standalone Statement of Changes in Equity.

(₹ in Crore)

Particulars		Amount as on 31.03.2020		Amount as on 31.03.2019			
Liabilities Side		outstanding	overdue	outstanding	overdue		
(1)	<b>Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>						
(a)	Bonds : Secured	15,157.24	0.00	14,498.53	0.00		
	: Unsecured	2,16,267.03	0.00	1,90,814.82	0.00		
(b)	(i) Rupee Term Loans	57,409.63	0.00	46,542.21	0.00		
	(ii) Foreign Currency Loans	19,872.75	0.00	20,592.26	0.00		
(c)	Commercial Paper	-	0.00	9,715.92	0.00		
(d)	Short Term Borrowings	2,038.40	0.00	13,357.45	0.00		
<b>Assets Side</b>		<b>Amount Outstanding as on 31.03.2020</b>		<b>Amount Outstanding as on 31.03.2019</b>			
(2)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>						
(a)	Secured	2,12,693.81		1,98,393.65			
(b)	Unsecured	1,32,235.76		1,16,323.18			
(c)	Less: Impairment loss allowance	(15,658.97)		(16,057.16)			
(d)	Loans and advances (net of provision)	3,29,270.60		2,98,659.67			
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>						
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease	99.18		99.89			
(4)	<b>Break-up of Investments (Net of Provisions)</b>						
<b>Current Investments</b>							
1. <b>Quoted</b>							
(i)	Shares						
(a)	Equity	663.35		935.09			
2. <b>Unquoted</b>							
(i)	Shares						
(a)	Equity						
<b>Long Term Investments</b>							
1. <b>Quoted</b>							
(i)	Shares						
(a)	Equity	14,578.74		14,588.64			
(ii)	Debentures and Bonds	810.05		809.84			
2. <b>Unquoted</b>							
(i)	Shares						
(a)	Equity	246.20		246.45			
(b)	Preference	168.86		-			
(ii)	Units of SIB Fund	6.12		6.18			
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b>						
Category		Amount Net of Provisions (as on 31.03.2020)			Amount Net of Provisions (as on 31.03.2019)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
(a)	Subsidiaries and Associates	-	155.05	155.05	-	196.22	196.22
(b)	Companies in the same group	-	-	-	-	-	-
(b)	Other related parties	0.51	-	0.51	0.52	-	0.52
2.	Other than related parties	2,12,792.48	1,32,080.71	3,44,873.19	1,98,493.02	1,16,126.96	3,14,619.98
<b>Total</b>		<b>2,12,792.99</b>	<b>1,32,235.76</b>	<b>3,45,028.75</b>	<b>1,98,493.54</b>	<b>1,16,323.18</b>	<b>3,14,816.72</b>
(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>						
Category		As on 31.03.2020		As on 31.03.2019			
		Break up value <sup>5</sup>	Book Value (Net of Provisions)	Break up value <sup>5</sup>	Book Value (Net of Provisions)		
1.	Related Parties						
(a)	Subsidiaries	18,685.88	14,500.45	18,145.15	14,500.70		
(b)	Companies in the same group	289.35	246.25	295.99	246.25		
2.	Other than related parties	1,726.62	1,726.62	1,839.25	1,839.25		
<b>Total</b>		<b>20,701.85</b>	<b>16,473.32</b>	<b>20,280.39</b>	<b>16,586.20</b>		
(7)	<b>Other Information</b>						
Particulars		Amount (as on 31.03.2020)		Amount (as on 31.03.2019)			
(i)	Gross Stage III Assets						
(a)	Other than related parties	27,871.70		29,540.31			
(ii)	Net Stage III Assets						
(a)	Other than related parties	13,123.24		14,519.30			
(iii)	Assets acquired in satisfaction of debt (Gross value of investment)	200.60		-			

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

56 Disclosures in accordance with RBI guidelines on liquidity Risk Management

56.1 Funding Concentration based on significant counterparty (borrowings)

Particulars	Number of significant counterparties*	Amount (₹ crore)	% of Total Liabilities
As at 31.03.2020	8	81,440.48	25.72%
As at 31.03.2019	8	67,042.85	22.24%

\*Significant counterparty/significant instrument/product is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

56.2 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

Sr. No.	Particulars*	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Borrowings	Amount (₹ crore)	% of Total Borrowings
1	RTL from State Bank of India	8,999.98	2.97%	8,999.98	3.12%
2	RTL from National Small Savings Scheme Fund (NSSF)	7,500.00	2.47%	7,500.00	2.60%
3	RTL from Canara Bank	6,000.00	1.98%	-	-
4	3 95 USD Bonds 2030	5,674.87	1.87%	-	-
5	7 41 Taxable Bond Series 197	5,000.00	1.65%	-	-
6	7 62 Taxable Bond Series 171	5,000.00	1.65%	5,000.00	1.73%
7	8 41 Taxable Bond Series 131 C	5,000.00	1.65%	5,000.00	1.73%
8	8 65 Taxable Bond Series 126	5,000.00	1.65%	5,000.00	1.73%
9	7 93 Taxable Bond Series 193	4,710.50	1.55%	-	-
10	4 50 USD Bonds 2029	4,539.90	1.50%	-	-

\*Based on size of bond issuance / term loans from banks

56.3 Funding Concentration based on significant instrument /product

Sr.No.	Significant instrument /product	As at 31.03.2020		As at 31.03.2019	
		Amount (₹ crore)	% of Total Liabilities	Amount (₹ crore)	% of Total Liabilities
1	<b>Debt Securities</b>				
	- Infrastructure Bonds	278.63	0.09%	278.63	0.09%
	- Tax Free Bonds	12,275.11	3.88%	12,275.11	4.07%
	- 54EC Capital Gain Tax Exemption Bonds	1,918.54	0.61%	784.10	0.26%
	- Taxable Bonds	1,72,930.24	54.62%	1,67,774.95	55.66%
	- Foreign Currency Notes	27,892.78	8.81%	8,298.60	2.75%
	- Commercial Paper	-	0.00%	9,715.92	3.22%
	<b>Sub-Total (1)</b>	<b>2,15,295.30</b>	<b>68.00%</b>	<b>1,99,127.31</b>	<b>66.06%</b>
2	<b>Borrowings (other than Debt Securities)</b>				
	- Foreign Currency Loans	172.38	0.05%	4,676.17	1.55%
	- Syndicated Foreign Currency Loans	19,635.63	6.20%	15,852.09	5.26%
	- Rupee Term Loan	49,598.98	15.66%	38,703.55	12.84%
	- Rupee Term Loan - Gol	7,500.00	2.37%	7,500.00	2.49%
	- Loan against Term Deposits	-	0.00%	12,737.18	4.23%
	- Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	2,038.36	0.64%	620.00	0.21%
	<b>Sub-Total (2)</b>	<b>78,945.35</b>	<b>24.93%</b>	<b>80,088.99</b>	<b>26.57%</b>
3	<b>Subordinated Liabilities</b>	9,211.50	2.91%	9,211.50	3.06%
	<b>Sub-Total (3)</b>	<b>9,211.50</b>	<b>2.91%</b>	<b>9,211.50</b>	<b>3.06%</b>



	<b>Total (1+2+3)</b>	<b>3,03,452.15</b>	<b>95.84%</b>	<b>2,88,427.80</b>	<b>95.68%</b>

#### 56.4 Stock Ratios

Sr. No.	Particulars	% to total public funds	% to total liabilities	% to total assets
<b>As at 31.03.2020</b>				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	-	-	-
3	Other short-term liabilities	0.67%	0.64%	0.56%
<b>As at 31.03.2019</b>				
1	Non-convertible debentures (original maturity less than 1 year)	-	-	-
2	Commercial papers	3.37%	3.22%	2.82%
3	Other short-term liabilities	4.63%	4.43%	3.87%

### 57 Impact of COVID-19 on the Company

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the financial markets. Lockdown announced by Government of India to contain the spread of virus has resulted in substantial slowdown in the economic activity. The Govt. and various regulators have since then introduced a variety of measures to contain the spread of virus and to mitigate the impacts of economic disruptions. However, Management believes that the impact of this outbreak on the business and financial position of the Company will not be significant.

With its robust IT infrastructure and digital communication technology, the Company encouraged its employees to "Work from Home". This enabled its workforce to work securely through remote technology ensuring business continuity. The Company disbursed around ₹ 11,000 crore to finance power sector projects during the first week of lockdown till March 31 which bears testimony to its attempt to create pandemic proof workplace.

In order to mitigate the burden of debt servicing during this period, RBI notified certain guidelines. In accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, PFC has offered moratorium on payment of instalments falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. RBI vide circular dated 23.05.2020 has further extended period of loan moratorium by another 3 months i.e. up to August 31,2020.

Further, the Govt. of India, as a part of its Covid-19 package announcement, has also announced liquidity injection of ₹ 90,000 crore to the State Discoms in the form of State Govt. guaranteed loans through PFC and its subsidiary REC Ltd to clear the outstanding dues of CPSE Gencos/Transco, IPP and RE generators.

The Company is well geared to meet its funding needs. Currently, the Company has adequate undrawn lines of credits from various banks. Considering PFC's high credit worthiness well established relationship with lenders, it can mobilise funds from domestic & international markets.

Thus, there are no reasons to believe that the current crisis will have any significant impact on the ability of the Company to maintain its operations, including the assessment of going concern for the Company. The Company will, however, continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Further, as part of its CSR initiatives, the Company contributed ₹ 200 crore to PM CARES Fund to combat Covid-19 in the month of April 2020. Additionally, the employees of the Company have also contributed their one-day salary for the same. Various other pan India initiatives have also been taken by the Company like financial aid to district administrations, support to frontline workers and conducting awareness programmes as a part of its social responsibility.

- 58 Disclosure in respect of Moratorium and asset classification with regards to RBI Covid-19 Regulatory package pursuant to RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17.04.2020

(₹ in crore)

Sr. no.	Particulars	Amount
1	Amounts in SMA/overdue categories, where the moratorium/deferment was extended -For SMA 1	594.72
2	Amount where asset classification benefits is extended	Nil
3	Provisions made during the Q4FY2020	Nil
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

- 59 Disclosures in accordance with SEBI Circular SEBI/HO/DDHS/CIR/P2018/144 dated 26.11.2018 on fund raising by issuances of debt securities by large entities

Details of incremental borrowings:

(₹ in crore)

Particulars	FY 2019-20
Incremental borrowing done in FY (a)	59,542.04
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	14,885.51
Actual borrowings done through debt securities in FY	36,353.60
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b)-(c)	Nil
Reasons for shortfalls	NA

- 60 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. All activities revolve around the main business. Hence, there are no reportable segments as per Ind AS 108.

**61 Modifications in the significant accounting policies:**

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). Refer Note 38 for details of the adoption of Ind AS 116.

Further, policies on Company's business model in line with the requirements of Ind AS 109 and contingent assets have been incorporated in the Note 5 - significant accounting policies. In addition, certain accounting policies have also been reworded to bring in more clarity. There is no financial impact of such modifications carried out in the accounting policies.

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

(₹ in crore)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Within 12 months	More than 12 months	Within 12 months	More than 12 months
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and Cash Equivalents	182.52	-	310.09	-
(b) Bank Balance other than included in Cash & Cash Equivalents	16.47	-	13,890.52	-
(c) Derivative Financial Instruments	63.94	1,799.48	105.38	462.60
(d) Loans	57,818.46	2,76,294.14	45,971.12	2,57,239.24
(e) Investments	663.35	15,809.97	935.14	15,651.06
(f) Other Financial Assets	103.88	5,235.24	87.03	5,243.93
<b>Total financial assets (1)</b>	<b>58,848.62</b>	<b>2,99,138.83</b>	<b>61,299.28</b>	<b>2,78,596.83</b>

<b>2</b>	<b>Non- Financial Assets</b>				
(a)	Current Tax Assets (Net)	133.19	518.12	-	498.42
(b)	Deferred Tax Assets (Net)	-	2,952.12	-	4,060.73
(c)	Property, Plant and Equipment	-	31.35	-	27.74
(d)	Other Intangible Assets	-	0.41	-	0.59
(e)	Right of use asset		35.75	-	-
(f)	Other Non-Financial Assets	84.75	44.12	180.22	61.87
	<b>Total non-financial assets (2)</b>	<b>217.94</b>	<b>3,581.87</b>	<b>180.22</b>	<b>4,649.35</b>
	<b>Total Asset (1+2)</b>	<b>59,066.56</b>	<b>3,02,720.70</b>	<b>61,479.50</b>	<b>2,83,246.18</b>
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	56.40	543.42	88.64	416.95
(b)	Debt Securities	37,152.92	1,84,694.75	44,608.95	1,60,975.54
(c)	Borrowings (other than Debt Securities)	17,902.17	61,213.89	28,998.61	51346.08
(d)	Subordinated Liabilities	103.04	9,207.91	102.30	9207.40
(d)	Other Financial Liabilities	316.07	5,059.09	274.44	5053.40
	<b>Total financial liabilities (1)</b>	<b>55,530.60</b>	<b>2,60,719.06</b>	<b>74,072.94</b>	<b>2,26,999.37</b>
<b>2</b>	<b>Non- Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)	0.11	-	-	0.53
(b)	Provisions	219.38	44.91	196.87	67.13
(c)	Other Non-Financial Liabilities	2.93	106.14	4.49	96.36
	<b>Total non-financial liabilities (2)</b>	<b>222.42</b>	<b>151.05</b>	<b>201.36</b>	<b>164.02</b>
	<b>Total liabilities (1+2)</b>	<b>55,753.02</b>	<b>2,60,870.11</b>	<b>74,274.30</b>	<b>2,27,163.39</b>

63 Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable.

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

Statement of dividend paid (Standalone)

Rs. in crore

Description	Year ended 31.03.2020	Year ended 31.03.2019
	Ind - AS	Ind - AS
Face value of equity shares	10.00	10.00
Equity share capital	2,640.08	2,640.08
Amount of dividend		
Interim dividend paid	2508.08	0.00
Proposed final dividend	0.00	0.00
<b>Total</b>	<b>2,508.08</b>	<b>0.00</b>
Rate of dividend (%)	95.00%	0.00%
Corporate dividend tax	264.79	0.00

## Capitalization Statement (Standalone) 2020 and 2019

Description	Year ended 31.03.2020	Year ended 31.03.2019
	IND AS	IND AS
<b>Debts<sup>§</sup></b>		
Short term Debt	2,038.36	23,073.10
Long term Debt	3,01,413.79	2,65,354.70
<b>Total Debt</b>	<b>3,03,452.15</b>	<b>2,88,427.80</b>
<b>Shareholders' Fund</b>		
Share Capital	2,640.08	2,640.08
Reserves & Surplus	42,524.05	40,647.91
<b>Net Worth</b>	<b>45,164.13</b>	<b>43,287.99</b>
Longterm Debt <sup>§</sup> / Networth	6.67	6.13
Total Debt <sup>§</sup> / Networth	6.72	6.66

<sup>§</sup> *principal outstanding*

**Accounting Ratios (Standalone)**

(₹ in crore)

Description	Year ended 31.03.2020	Year ended 31.03.2019
	Ind - AS	Ind - AS
Net Profit After Tax	5,655.14	6,952.92
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408
Networth	45164.13	43,287.99
Average Networth	44,226.06	40,122.07
Accounting Ratios:		
Basic and Diluted Earning Per Share (₹)	21.42	26.34
Net Asset Value per Share (₹)	171.07	163.96
Return on Average Net worth (%)	12.79%	17.33%
Long term Debt <sup>§</sup> / Networth (Times)	6.67	6.13
Total Debt <sup>§</sup> / Net worth (Times)	6.72	6.66

<sup>§</sup> Principal outstanding.

**EXAMINATION REPORT ON REFORMATTED CONSOLIDATED FINANCIAL INFORMATION  
UNDER IGAAP**

Date: 30 December, 2020

To,  
The Board of Directors  
**Power Finance Corporation Limited**  
Urjanidhi  
1 Barakhamba Lane, Connaught Place  
New Delhi 110 001  
India

Dear Sirs,

**Sub: Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures (“NCDs”) of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited (“Company”) in one of more tranches from time to time (“Issue”)**

1. The management of the Company has approved the accompanying Reformatted Consolidated Financial Information of the Company and its subsidiaries/associates (the Company and its Subsidiaries / associates together referred to as “**the Group**”), as at and for the years ended on March 31, 2018, 2017, and 2016 comprising of Reformatted Consolidated Statement of Assets and Liabilities (Annexure – I), Reformatted Consolidated Statement of Profit and Loss (Annexure – II), Reformatted Consolidated Cash Flow Statement (Annexure – III) as on and for the years ended March 31, 2018, 2017, and 2016, the Summary Statement of Significant Accounting Policies (Annexure – IV) and Notes to Accounts (Annexure – V), (collectively referred to as “**Reformatted Consolidated Financial Information under IGAAP**”) annexed to this report, which have been prepared in accordance with the requirements of:
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (“**SEBI Regulations**”), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;
  - (c) the Guidance Note issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).

to be included In the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the “**Prospectuses**”), in connection with the proposed public issue of NCDs by the Company.

2. These Reformatted Consolidated Financial Information have been compiled by the Management from the audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2018, 2017 and 2016 prepared in accordance with Indian Accounting principles generally accepted in India (“**IGAAP**”) as prescribed under Section 133 of the Act, read with relevant rules thereunder which have been approved by the Board of Directors.
3. We have examined the Reformatted Consolidated Financial Information under IGAAP as stated in para 1 & 2 above.

4. Based on our examination and according to the information and explanation given to us, we report that, the Reformatted Consolidated Financial Information and other Consolidated financial Information of the Group mentioned above, as at and for the years ended March 31, 2018, 2017 and 2016 have been prepared in accordance with Section 26 of the Act and the SEBI Regulations and the Guidance Notes. We further state that:

The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the Consolidated Financial Statements for the year ended March 31, 2018 for purpose of the Reformatted Consolidated Financial Statements.

5. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements
6. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.
7. The data in the “Consolidated Financial Information” has been extracted from the Audited Financial Statements of the Company, duly audited by the then Statutory Auditors of the Company appointed by C&AG.
8. For the purpose of our examination we have relied on:
- (a) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co., Chartered Accountants, dated May 25, 2018 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2018 as referred in paragraph 4 above;
  - (b) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 29, 2017 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2017 as referred in paragraph 4 above;
  - (c) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 25, 2016 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2016 as referred in paragraph 4 above; and
9. There is no qualification or adverse remark in the auditor’s report on the financial statements for the years ended March 31, 2018, 2017 and 2016. However, there are Emphasis of matter in the annexure to the auditor’s reports which have been included in Annexure – A, which do not have any quantifiable impact on the Reformatted Consolidated Financial Information.
10. We have examined such Reformatted Consolidated Financial Information taking into consideration:
- (a) The term of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 24, 2020 in connection with the proposed public issue of NCDs of the Company;
  - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics Issued by the ICAI;



- (c) Concepts of tests checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated financial Information under IGAAP; and
- (d) The requirements of Section 26 of the Act and SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.
11. At the Company's request, we have also examined the following other Consolidated financial information of the Company as at and for the years ended on March 31, 2018, 2017 and 2016 (Collectively referred to as “**Other Consolidated Financial Information**”) proposed to be included in the Prospectuses as approved by the Board of Directors or any other Committee thereto, annexed to this report:
- I. Statements of Accounting Ratios (Consolidated), as at and for the financial years ended March 31, 2018, 2017 and 2016. (Annexure – VI).
12. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
13. Our report is intended solely for the use of Board of Directors for inclusion In the Prospectuses to be filed by the Company with the Stock Exchanges and the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or in, to whose hands it may come without our prior consent in writing.

**For and on behalf of**

**Gandhi Minocha & Co.**  
**Authorized Signatory**

**MANOJ**  
**BHARDWAJ**

Digitally signed by  
MANOJ BHARDWAJ  
Date: 2020.12.30  
17:56:22 +05'30'

**Name:** CA Manoj Bhardwaj  
**Designation:** Partner  
**Membership Number:** 098606  
**Date:** 30.12.2020  
**Firm Regn Number:** 000458N  
**Place:** New Delhi  
**UDIN:** 20098606AAAADF3576

**Dass Gupta and Associates**  
**Authorized Signatory**

**NARESH GOEL**

Digitally signed by NARESH  
GOEL  
Date: 2020.12.30 17:32:22  
+05'30'

**Name:** CA Naresh Kumar  
**Designation:** Partner  
**Membership Number:** 082069  
**Date:** 30.12.2020  
**Firm Regn Number:** 000112N  
**Place:** New Delhi  
**UDIN:** 20082069AAAAAU7653

Cc to-

- 1) Lead Managers to the issue

**ANNEXURE A**

Financial Year	Auditor Remarks
FY 2018	None
FY 2017	<p><b>Emphasis of Matter</b></p> <p>(a) Note No. 15 of Part-C ‘Consolidated Other Notes on Accounts’, regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by Rs. 3,427.18 crore and reversal of income by ` 527.37 crore during the year on state sector loans.</p> <p>(b) Note No. 19 of Part-C ‘Consolidated Other Notes on Accounts’, regarding income reversal of Rs. 413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon’ble High Court of Madras.</p> <p>(c) Note No. 6 (E) of Part-C ‘Other Notes on Accounts’, whereby income of Rs. 178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.</p>
FY 2016	<p><b>Emphasis of Matter</b></p> <p>(a) Note no. 13 (C) of Part-C ‘Consolidated Other Notes on Accounts’ regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016.</p> <p>(b) Note No. 15 of Part-C ‘Consolidated Other Notes on Accounts’, regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.</p>

## POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

## REFORMATTED CONSOLIDATED BALANCE SHEET AS AT 31.03.2018, 31.03.2017 AND 31.03.2016

(₹ in crore)

Description		Note Part	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>A. EQUITY &amp; LIABILITIES</b>								
<b>(1) Shareholders' Funds</b>								
(a) Share Capital		A-1	2,640.08		2,640.08		1,320.04	
(b) Reserves & Surplus		A-2	37,561.66	40,201.74	34,204.83	36,844.91	34,708.27	36,028.31
<b>(2) Non-Current Liabilities</b>								
(a) Long Term Borrowings		A-3						
		Secured	13,691.52		20,106.17		19,869.75	
		Unsecured	1,78,362.96	1,92,054.48	1,54,997.19	1,75,103.36	1,52,744.82	1,72,614.57
(b) Deferred Tax Liabilities (Net)		C-26		296.16		247.55		301.96
(c) Other Long Term Liabilities		A-4		5,931.40		6,143.07		548.85
(d) Long Term Provisions		A-5		2,252.45		2,667.16		1,325.98
<b>(3) Current Liabilities</b>								
(a) Short -Term Borrowings		A-3						
		Secured	172.82		2,543.48		0	
		Un-secured	6,953.28		0.00		7,571.57	
(b) Trade Payables								
(i) total outstanding dues of micro enterprises and small enterprises				0.00		0.00		0
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises				389.29		120.55		69.65
(c) Other Current Liabilities								
(i) Current Maturity of Long Term Borrowings		A-3						
		Secured	7,050.94		3.70		1916.91	
		Un-secured	24,078.90		25,342.20		18,557.09	
(ii) Other Short Term Liabilities		A-4	8,052.26		8,592.95		7,566.51	
(d) Short Term Provisions		A-5	741.31	47,438.80	1,928.55	38,531.43	815.39	36,497.12
<b>Total</b>				<b>2,88,175.03</b>		<b>2,59,537.48</b>		<b>2,47,316.79</b>
<b>B. ASSETS</b>								
<b>(1) Non-current Assets</b>								
(a) Fixed Assets		A-6						
(i) Tangible Assets			526.52		393.03		256.20	
Less: Accumulated Depreciation			162.34	364.18	97.87	295.16	59.18	197.02
(ii) Intangible Assets			14.99		9.62		8.90	
Less: Accumulated Amortization			8.99	6.00	8.40	1.22	7.44	1.46
(iii) Intangible Assets under development				411.88		105.44		46.63
(b) Non-Current Investments		A-7						
		Trade	76.04		19.50		19.23	
		Others	800.00	876.04	1,800.00	1,819.50	1,800.00	1,819.23
(c) Long Term Loans		A-8						
		Secured	1,56,427.91		1,38,911.54		1,34,986.71	
		Un-Secured	79,033.76	2,35,461.67	62,026.71	2,00,938.25	65,394.00	2,00,380.71
(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)			111.65		152.17		57.37	
(ii) Other			5,900.77	6,012.42	5,575.04	5,727.21	413.53	470.90
<b>(2) CURRENT ASSETS</b>								
(a) Current Investments		A-10	1,070.78		1,325.67		410.74	
(b) Trade Receivables		A-19						
		More than Six Months	228.74		166.03		49.16	
		Others	156.56		113.53		62.05	
(c) Cash and Bank Balances		A-11	780.54		3,792.83		301.55	
(d) Short Term Loans		A-8						
		Secured	6,351.65		1,490.49		1,080.93	
		Un-Secured	4,815.36		4,412.41		2,711.45	
(e) Other Current Assets								
(i) Current Maturity of Long Term Loans		A-8						
		Secured	21,467.78		28,659.49		12,203.39	
		Un-Secured	5,126.66		5,045.28		21,431.03	
(ii) Others		A-9	5,044.77	45,042.84	5,644.97	50,650.70	6,150.54	44,400.84
<b>Total</b>				<b>2,88,175.03</b>		<b>2,59,537.48</b>		<b>2,47,316.79</b>

## POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

## REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018, 31.03.2017 AND 31.03.2016

(₹ in crore)

Description	Note No.	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>I. Revenue from Operations</b>							
Interest	A-12	25,870.01		26,333.11		27,099.83	
Consultancy / Advisory Services		179.25		181.44		262.52	
Other Operating Income		604.62		648.51		158.77	
Other Financial Services		322.30	26,976.18	318.10	27,481.16	281.65	27,802.77
<b>II. Other Income</b>							
Other Income	A-13		269.15		130.13		83.00
<b>III. Total Income (I+II)</b>			<b>27,245.33</b>		<b>27,611.29</b>		<b>27,885.77</b>
<b>IV. Expenses</b>							
Finance Costs	A-14		17,541.41		16,767.64		16,645.38
Borrowing Expenses	A-15		28.45		26.58		33.44
Employee Benefit Expenses	A-16		192.78		133.24		106.63
Provisions	C-12		570.02		5,112.33		1610.16
Provision for decline in value of investments	A-10		254.56		(7.41)		96.26
Depreciation and Amortization Expenses	A-6		70.47		40.82		20.08
CSR Expenses	C-18		120.10		167.64		146.81
Other Expenses	A-17		107.02		105.29		61.97
Prior Period Items (Net)	A-18		1.04		1.47		-2.06
<b>Total Expenses</b>			<b>18,885.85</b>		<b>22,347.60</b>		<b>18,718.67</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>8,359.48</b>		<b>5,263.69</b>		<b>9167.10</b>
<b>VI. Exceptional Items</b>			0.00		0.00		0.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>			<b>8,359.48</b>		<b>5,263.69</b>		<b>9167.10</b>
<b>VIII. Extraordinary Items</b>			0.00		0.00		0.00
<b>IX. Profit Before Tax (VII-VIII)</b>			<b>8,359.48</b>		<b>5,263.69</b>		<b>9167.10</b>
<b>X. Tax Expenses</b>							
<b>1) Current Tax</b>							
Current Year			2,464.74		3,121.71		2,857.89
Earlier Years			0.42		(0.47)		12.11
<b>2) Deferred Tax Liability (+) / Asset (-)</b>	C-26		50.21		(93.65)		113.10
<b>XI. Profit (Loss) for the year from continuing operations (IX-X)</b>			<b>5,844.11</b>		<b>2,236.10</b>		<b>6184.00</b>
<b>XII. Earnings per equity share of par value of ₹ 10/- each</b>	C-27						
(1) Basic (₹)			22.14		8.47		46.85
(2) Diluted (₹)			22.14		8.47		46.85

POWER FINANCE CORPORATION LIMITED					
CIN L65910DL1986GOI024862					
REFORMATTED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018, 31.03.2017 AND 31.03.2016					
					(₹ in crore)
PARTICULARS	Note Part	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	
<b>I. Cash Flow from Operating Activities :-</b>					
Net Profit before Tax and Extraordinary items		8,359.48	5,263.69	9,167.10	
<b>ADD: Adjustments for</b>					
Loss on Sale of Fixed Assets (net)		0.42	0.16	0.14	
Profit on sale of investments	A-13	(0.78)	(0.50)	(0.49)	
Depreciation / Amortization (including Prior period depreciation)	A-6	70.38	41.04	20.08	
Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)	99.49	(11.55)	
Foreign Exchange Translation Loss		245.45	221.48	306.16	
Net Change in Fair Value of Derivatives	A-14	132.45	(178.15)	0.00	
Provision for decline in value of investments		254.56	(7.41)	96.26	
Provisions	C-12	570.02	5,112.33	1610.17	
Dividend on investment	A-13	(65.47)	(90.38)	(70.66)	
CSR Expenses		0.00	166.15	145.79	
Interest Subsidy Fund		6.31	2.22	-3.88	
Provision for interest under IT Act		0.14	0.69	0.00	
Excess Liabilities & Provisions written back	A-13	(164.93)	(0.12)	(0.30)	
Provision for Retirement Benefits/Other Welfare Expenses/Leave Encashment		73.00	19.03	20.97	
Interest Received		(25.15)	(22.54)	(15.43)	
Interest Paid		29.91	15.79	3.58	
Deferred Rent expenses		0.34	0.23	0.05	
<b>Operating profit before working Capital Changes:</b>		<b>9,419.72</b>	<b>10,643.20</b>	<b>11,267.99</b>	
<b>Increase / Decrease :</b>					
Loans Assets (Net)		(33,440.08)	(7,377.60)	(21,508.66)	
Other Assets		(159.71)	(4,749.27)	(615.07)	
Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(vi)	(1.09)	84.46	(359.18)	
Liabilities and provisions		(455.51)	6,496.07	972.04	
<b>Cash flow before extraordinary items</b>		<b>(24,636.67)</b>	<b>5,096.86</b>	<b>(10,242.88)</b>	
Extraordinary items		0.00	0.00	0.00	
<b>Cash Inflow/Outflow from operations before Tax</b>		<b>(24,636.67)</b>	<b>5,096.86</b>	<b>(10,242.88)</b>	
Income Tax paid		(2,661.28)	(3,370.01)	(3,092.64)	
Income Tax Refund		1.83	68.61	37.82	
<b>Net Cash flow from Operating Activities</b>			<b>(27,296.12)</b>	<b>1,795.46</b>	<b>(13,297.70)</b>
<b>II. Cash Flow From Investing Activities :</b>					
Sale / adjustment of Tangible / Intangible Assets		0.30	0.10	0.15	
Purchase of Tangible / Intangible Assets	A-6	(140.92)	(124.36)	(111.46)	
Increase / decrease in Intangible assets under development & CWIP	A-6	(295.31)	(57.01)	(44.23)	
Investments in Subsidiaries		0.00	(0.64)	(0.33)	
Interest Received		23.25	22.28	15.38	
Dividend / Interest on investments		65.38	90.38	70.66	
Purchase / Sale of Other Investments		959.24	(597.67)	-1,900.34	
Capital advances		(1.43)	(0.17)	(3.13)	
<b>Net Cash Used in Investing Activities</b>			<b>610.51</b>	<b>(667.09)</b>	<b>-1,973.30</b>
<b>III. Cash Flow From Financing Activities :</b>					
Issue of Equity Shares		0.00	31.39	21.59	
Issue of Bonds (including premium) (Net)		4,046.30	18,570.20	11,711.11	
Raising of Long Term Loans (Net)		8,893.27	(8,781.10)	-3,434.58	
Foreign Currency Loans (Net)		9,584.90	(2,559.98)	732.75	
Interest Paid		(29.91)	(15.73)	(3.58)	
Commercial paper (Net)		7,030.00	(5,350.00)	3,195.00	
Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,385.07)	356.70	368.62	
Unclaimed Bonds (Net)		3.41	(3.32)	-0.13	
Unclaimed Dividend (Net)		1.20	(0.29)	0.40	
Payment of Final Dividend of Previous year		0.00	(79.20)	-79.20	
Payment of Interim Dividend of Current year*		(2,505.30)	0.00	(1,755.66)	
Payment of Corporate Dividend Tax		(487.21)	(218.35)	(372.86)	
<b>Net Cash in-flow from Financing Activities</b>			<b>24,151.59</b>	<b>1,950.32</b>	<b>10,383.46</b>
<b>Net Increase / Decrease in Cash &amp; Cash Equivalents</b>			<b>(2,534.02)</b>	<b>3,078.69</b>	<b>(4,887.54)</b>
Add : Cash & Cash Equivalents at beginning of the financial year		3,224.34	145.65	5,033.20	
<b>Cash &amp; Cash Equivalents at the end of the year</b>		<b>690.32</b>	<b>3,224.34</b>	<b>145.65</b>	

Details of Cash & Cash Equivalents at the end of the year:		A-11					
i)	Balances in current accounts with:						
a)	Reserve Bank of India		0.02		0.02		0.05
b)	Scheduled Banks		157.35	157.37	151.18	151.20	141.87
ii)	Cheques in hand			0.00		0.00	
iii)	Imprest with postal authority			0.00		0.00	
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			532.95		3,073.14	3.73
	<b>Sub Total (I)</b>			<b>690.32</b>		<b>3,224.34</b>	<b>145.65</b>
Details of Earmarked & Other Cash and Bank Balances at the end of the year:		A-11					
i)	Earmarked Balances :						
a)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		0.00		458.41		6.41
b)	IPDS / R-APDRP						
	Balances in current accounts with scheduled banks		0.00		0.00		13.01
	Fixed Deposits with Banks (original maturity up to 3 months)		0.00		0.00		0
	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00	0.00	0.00	458.41	30.97
ii)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)			74.73		110.08	105.51
	<b>Sub Total (II)</b>			<b>74.73</b>		<b>568.49</b>	<b>155.90</b>
	<b>Total Cash and Bank Balance at the end of the year. (I+II)</b>			<b>765.05</b>		<b>3,792.83</b>	<b>301.55</b>

<b>NOTE - Part A - 1</b>				
<b>REFORMATTED CONSOLIDATED SHARE CAPITAL</b>				
				(₹ in crore)
Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	
<b>A</b>	<b>Authorised :</b>			
10,00,00,00,000 equity shares of par value of ₹ 10/- each (Previous year 100,00,00,000 equity shares of par value of ₹ 10/- each)	10,000.00	10,000.00	2,000.00	
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>2,000.00</b>	
<b>B</b>	<b>Issued, subscribed and paid up :</b>			
2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up (Previous year 2,64,00,81,408 equity shares of ₹ 10/- each fully paid up)	2,640.08	2,640.08	1,320.04	
<b>Total</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>1,320.04</b>	

## NOTE - Part A - 2

## REFORMATTED CONSOLIDATED RESERVES &amp; SURPLUS

								(₹ in crore)
	Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016		
<b>(A)</b>	<b>Securities Premium Account</b>							
	Opening balance	2,776.54		4,096.58		4,096.37		
	Add : Addition during the year	0.00		0.00		0.21		
	Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2,776.54	0.00	4,096.58	
<b>(B)</b>	<b>Debenture Redemption Reserve</b>							
	Opening balance	1,448.71		1,172.56		856.28		
	Add : Transfer from Surplus	294.17		312.55		316.27		
	Less: Transfer to Surplus on account of Utilization	0.00	1,742.88	36.40	1,448.71	0.00	1172.55	
<b>(C)</b>	<b>Others</b>							
<b>(i)</b>	<b>Reserve for Bad &amp; doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961</b>							
	Opening balance	3,014.69		2,547.14		2117.93		
	Add : Transfer from Surplus	372.10	3,386.79	467.55	3,014.69	429.91	2547.14	
<b>(ii)</b>	<b>Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		599.85		599.85		599.85	
<b>(iii)</b>	<b>Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>							
	Opening balance	14,325.30		12,512.36		10541.45		
	Add : Transfer from Surplus for the year	1,595.07		1,812.97		2008.37		
	Less : Transfer to General Reserve	0.00		0.00		66.22		
	Less : Transfer to Surplus	0.01	15,920.36	0.03	14,325.30	-28.76	12512.36	
<b>(iv)</b>	<b>Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934</b>							
	Opening balance	16.98		10.95		6.43		
	Add : Transfer from Surplus for the year	6.37	23.35	6.03	16.98	4.52	10.95	
<b>(v)</b>	<b>General Reserve</b>							
	Opening balance	5,438.69		5,364.34		4197.11		
	Add : Transfer from Surplus for the year	1,000.00		0.00		1101		
	Add : Gain - Change in fair value of derivatives	0.00		74.35		0.00		
	Add : Transfer from Special Reserve	0.00		0.00		66.22		
	Less: Transferred to Special Reserve	0.00	6,438.69	0.00	5,438.69	0	5364.33	
<b>(vi)</b>	<b>Foreign Currency Monetary Item Translation Difference A/c</b>							
	Opening balance	(647.56)		(739.74)		-380.56		
	Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)	-359.18	-739.74	
<b>(vii)</b>	<b>Interest Differential Fund - KFW Reserve</b>							
	Opening balance	0.00		0.00		0		
	Add : Transfer from Surplus (net)	57.90	57.90	0.00	0.00	0.00	0	
<b>(D)</b>	<b>Surplus</b>							
	Opening balance	7,241.55		9,144.25		9056.45		
	Add : Profit after tax for the Year	5,844.11		2,236.10		6184		
	<b>Less : Transfer to Reserves</b>							
	Transfer to Reserve for Bad & Doubtful Debts u/s 36 (1) (vii) (c) of Income Tax Act, 1961	372.10		467.55		429.21		
	Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,595.07		1,812.97		2008.37		
	Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	6.37		6.03		4.52		
	Transfer to Debenture Redemption Reserve	294.17		312.55		316.27		
	Transfer to General Reserve	1,000.00		0.00		1101		
	Transfer to Interest Differential Reserve - KFW Loan (net)	57.90		0.00		0		
	<b>Less : Dividend &amp; Corporate Dividend Tax</b>							
	Interim Dividend	2,059.26		1,320.04		1755.66		
	Proposed Final Dividend	0.00		0.00		79.2		
	Corporate Dividend Tax on Interim Dividend	414.59		268.73		356.74		
	Proposed Corporate Dividend Tax	6.28		0.00		16.12		
	<b>Adjustments during the Year</b>							
	Add : Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40		0		
	Add : Adjustments during the current period	(15.98)		2.72		-0.35		
	Add : Transfers from Special Reserve under Income Tax Act, 1961	0.00		0.00		0.00		
	Less : Transfers to Reserve for Bad & doubtful debts and Special Reserve under Income Tax Act 1961	0.00		0.00		0.00		
	Less : Depreciation on Life Expired Assets	0.00		0.00		0.00		
	Add : Transfer to/from Special Reserve under Income Tax Act, 1961	0.01	7,263.95	0.03	7,231.63	-28.76	9144.25	
	<b>Total (A) + (B) + (C) + (D)</b>		<b>37,561.66</b>		<b>34,204.83</b>		<b>34,708.27</b>	



NOTE - Part A - 3									
REFORMATTED CONSOLIDATED BORROWINGS									
(₹ in crore)									
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
<b>A. Long Term Borrowings</b>									
<b>I. Secured</b>									
<b>Bonds</b>									
Infrastructure Bonds	40.94	243.38	284.32	3.70	281.06	284.76	316.91	44.64	361.55
Tax Free Bonds	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11	0	12,275.11	12,275.11
Other Taxable Bonds	7,010.00	880.88	7,890.88	0.00	7,550.00	7,550.00	1600	7,550.00	9,150.00
Capital Gain Tax Exemption Bonds	0.00	292.15	292.15	0.00	0.00	0.00	0	0	0
<b>Sub- Total (I)</b>	<b>7,050.94</b>	<b>13,691.52</b>	<b>20,742.46</b>	<b>3.70</b>	<b>20,106.17</b>	<b>20,109.87</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>
<b>II. UnSecured</b>									
<b>a) Bonds</b>									
Other Bonds / Debentures	21,705.00	1,47,985.37	1,69,690.37	24,155.40	1,41,836.65	1,65,992.05	15,868.00	1,29,682.64	1,45,550.64
Subordinated Bonds	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes	0.00	2,607.00	2,607.00	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86
	<b>21,705.00</b>	<b>1,54,392.37</b>	<b>1,76,097.37</b>	<b>25,322.70</b>	<b>1,45,636.65</b>	<b>1,70,959.35</b>	<b>15,868.00</b>	<b>1,34,684.50</b>	<b>1,50,552.50</b>
<b>b) Foreign Currency Loans</b>									
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India)	36.10	331.79	367.89	19.50	288.19	307.69	20.68	282.05	302.73
Syndicated Foreign Currency Loans from Banks & Financial Institutions	0.00	12,462.05	12,462.05	0.00	7,072.35	7,072.35	2,057.58	7,278.27	9,335.85
Foreign Currency Loans ( FCNR(B) from banks)	2,337.80	651.75	2,989.55	0.00	0.00	0.00	0.00	0.00	0.00
	<b>2,373.90</b>	<b>13,445.59</b>	<b>15,819.49</b>	<b>19.50</b>	<b>7,360.54</b>	<b>7,380.04</b>	<b>2,078.26</b>	<b>7,495.47</b>	<b>9,638.58</b>
<b>c) Rupee Term Loans</b>									
Rupee Term Loans (From Banks)	0.00	10,525.00	10,525.00	0.00	2,000.00	2,000.00	610.83	10,500.00	11,110.83
	<b>0.00</b>	<b>10,525.00</b>	<b>10,525.00</b>	<b>0.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>610.83</b>	<b>10,500.00</b>	<b>11,110.83</b>
<b>Sub- Total (II)</b>	<b>24,078.90</b>	<b>1,78,362.96</b>	<b>2,02,441.86</b>	<b>25,342.20</b>	<b>1,54,997.19</b>	<b>1,80,339.39</b>	<b>18,557.09</b>	<b>1,52,679.97</b>	<b>1,71,301.91</b>
<b>B. Short Term Borrowings</b>									
<b>I. Secured</b>									
Loan against FD	0.00	0.00	0.00	2,400.79	0.00	2,400.79	0.00	0.00	0.00
Rupee Term Loans (From Banks)	172.82	0.00	172.82	142.69	0.00	142.69	0.00	0.00	0.00
<b>Sub- Total (I)</b>	<b>172.82</b>	<b>0.00</b>	<b>172.82</b>	<b>2,543.48</b>	<b>0.00</b>	<b>2,543.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>II. UnSecured</b>									
Commercial Paper	6,924.74	0.00	6,924.74	0.00	0.00	0.00	5,286.37	0.00	5,286.37
Rupee Term Loans (From Banks)	28.54	0.00	28.54	0.00	0.00	0.00	2,285.20	0.00	2,285.20
<b>Sub- Total (II)</b>	<b>6,953.28</b>	<b>0.00</b>	<b>6,953.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>
<b>Grand Total (A)+(B)#</b>	<b>38,255.94</b>	<b>1,92,054.48</b>	<b>2,30,310.42</b>	<b>27,889.38</b>	<b>1,75,103.36</b>	<b>2,02,992.74</b>	<b>28,045.57</b>	<b>1,72,549.72</b>	<b>2,00,660.14</b>

NOTE - Part A - 4										
REFORMATTED CONSOLIDATED OTHER LONG TERM & SHORT TERM LIABILITIES										
(₹ in crore)										
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			
	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	
i. Interest Subsidy Fund from GOI	1.95	114.05	116.00	3.59	106.10	109.69	6.88	100.59	107.47	
ii. Interest Differential Fund - KFW	0.00	0.00	0.00	0.00	63.88	63.88	0.00	60.71	60.71	
iii. Advance received / amount payable to Subsidiaries (including interest payable thereon)	190.13	268.88	459.01	192.28	249.04	441.32	182.33	198.79	381.12	
iv. Amount payable to GoI under R-APDRP	0.00	0.00	0.00	0.00	0.00	0.00	13.00	0.00	13.00	
v. Amount payable to GoI under IPDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
vi. Other Bonds (Amount Payable- Bonds fully serviced by GoI)										
a) Principal	0.00	5,000.00	5,000.00	0.00	5,000.00	5,000.00	0.00	0.00	0.00	
b) Interest accrued but not due	38.21	0.00	38.21	38.21	0.00	38.21	0.00	0.00	0.00	
<b>Sub Total (I)</b>	<b>230.29</b>	<b>5,382.93</b>	<b>5,613.22</b>	<b>234.08</b>	<b>5,419.02</b>	<b>5,653.10</b>	<b>202.21</b>	<b>360.09</b>	<b>562.30</b>	
vii. Interest Accrued but not due :										
On Bonds	7,320.79	141.87	7,462.66	7,226.02	288.23	7,514.25	6,841.49	188.50	7,029.99	
On Loans	66.35	0.00	66.35	32.42	0.00	32.42	58.78	0.00	58.78	
<b>Sub Total (II)</b>	<b>7,387.14</b>	<b>141.87</b>	<b>7,529.01</b>	<b>7,258.44</b>	<b>288.23</b>	<b>7,546.67</b>	<b>6,900.27</b>	<b>188.50</b>	<b>7,088.77</b>	
viii. Unpaid / Unclaimed										
Bonds	3.93	0.00	3.93	0.52	0.00	0.52	3.84	0.00	3.84	
Interest on Bonds	14.10	0.00	14.10	14.17	0.00	14.17	8.33	0.00	8.33	
Dividend	2.63	0.00	2.63	1.43	0.00	1.43	1.72	0.00	1.72	
<b>Sub Total (III)</b>	<b>20.66</b>	<b>0.00</b>	<b>20.66</b>	<b>16.12</b>	<b>0.00</b>	<b>16.12</b>	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>	
ix. Others	414.17	406.60	820.77	1,084.31	435.82	1,520.13	450.14	0.26	450.40	
<b>Sub Total (IV)</b>	<b>414.17</b>	<b>406.60</b>	<b>820.77</b>	<b>1,084.31</b>	<b>435.82</b>	<b>1,520.13</b>	<b>450.14</b>	<b>0.26</b>	<b>450.40</b>	
<b>Grand Total (I+II+III+IV)</b>	<b>8,052.26</b>	<b>5,931.40</b>	<b>13,983.66</b>	<b>8,592.95</b>	<b>6,143.07</b>	<b>14,736.02</b>	<b>7,566.51</b>	<b>548.85</b>	<b>8,115.36</b>	
<sup>5</sup> Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany *Details of Other Unsecured Taxable Bonds as on 31.03.2018 are as follows :										
	<b>Bond Series</b>	<b>Date of allotment</b>	<b>Coupon Rate</b>	<b>Date of Redemption</b>	<b>Amount (₹ in crore)</b>					
	1. PFC Bond Series 164-GoI Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00					
	2. PFC Bond Series 160-GoI Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00					
	3. PFC Bond Series 158-GoI Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00					
	4. PFC Bond Series 156-GoI Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00					
	<b>Total</b>				<b>5,000.00</b>					

NOTE - Part A - 5									
REFORMATTED CONSOLIDATED PROVISIONS - LONG TERM AND SHORT TERM									
(₹ in crore)									
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
<b>I. Employee Benefits</b>									
Economic Rehabilitation of Employees	0.18	1.49	1.67	0.17	1.46	1.63	0.21	1.29	1.50
Leave Encashment	1.39	20.74	22.13	1.81	29.42	31.23	2.37	24.72	27.09
Staff Welfare Expenses	6.35	4.91	11.26	3.98	4.92	8.90	1.07	21.61	22.68
Gratuity / Superannuation Fund	1.57	0.45	2.02	1.29	0.19	1.48	0.20	0.08	0.28
Proposed Pay Revision	50.92	0.00	50.92	9.94	0.00	9.94	0.00	0.00	0.00
Bonus / Incentive	14.56	0.00	14.56	6.63	0.00	6.63	11.14	0.00	11.14
<b>Sub Total</b>	<b>74.97</b>	<b>27.59</b>	<b>102.56</b>	<b>23.82</b>	<b>35.99</b>	<b>59.81</b>	<b>14.99</b>	<b>47.70</b>	<b>62.69</b>
<b>II. Others</b>									
Income Tax (net)	12.42	0.00	12.42	0.24	12.05	12.29	6.76	49.49	56.25
Provision for Tax for demands uner contest	0.00	129.97	129.97	0.00	118.39	118.39	0.00	95.39	95.39
CSR Expenses	0.00	0.00	0.00	100.22	0.00	100.22	102.98	0.00	102.98
Provision against Standard Assets	411.43	929.22	1,340.65	100.05	459.88	559.93	103.48	495.00	598.48
Provisions against Restructured Standard Assets	241.65	1,165.67	1,407.32	317.00	2,040.85	2,357.85	490.80	638.40	1,129.20
Interim Dividend	0.00	0.00	0.00	1,320.04	0.00	1,320.04	0.00	0.00	0.00
Proposed Final Dividend	0.00	0.00	0.00	0.00	0.00	0.00	79.20	0.00	79.20
Corporate Dividend Tax on interim dividend	0.00	0.00	0.00	67.18	0.00	67.18	0.00	0.00	0.00
Proposed Corporate Dividend Tax	0.84	0.00	0.84	0.00	0.00	0.00	16.12	0.00	16.12
Provision for diminution in value of Investments	0.00	0.00	0.00	0.00	0.00	0.00	1.06	0.00	1.06
<b>Sub Total</b>	<b>666.34</b>	<b>2,224.86</b>	<b>2,891.20</b>	<b>1,904.73</b>	<b>2,631.17</b>	<b>4,535.90</b>	<b>800.40</b>	<b>1,278.28</b>	<b>2,078.68</b>
<b>Grand Total#</b>	<b>741.31</b>	<b>2,252.45</b>	<b>2,993.76</b>	<b>1,928.55</b>	<b>2,667.16</b>	<b>4,595.71</b>	<b>815.39</b>	<b>1,325.98</b>	<b>2,141.37</b>

NOTE - Part A - 6 REFORMATTED CONSOLIDATED FIXED ASSETS												NET BLOCK	
Description	Opening Balance as at 01.04.2017	GROSS BLOCK			DEPRECIATION			NET BLOCK					
		Opening Balance as at 31.03.2016	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2016	As at 31.03.2018	As at 31.03.2017	
<b>I. Tangible Assets :</b>													
<b>Owned Assets</b>													
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38	
Land (Leasehold)	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87	
Buildings	24.92	0.00	0.00	24.92	10.43	0.70	0.00	0.00	0.00	11.13	13.79	14.49	
EDP Equipments	17.77	4.42	2.16	20.03	14.40	3.43	0.01	0.00	1.99	15.85	4.18	3.37	
Office and other equipments	294.52	133.43	4.25	423.70	65.21	64.69	0.57	0.00	3.89	126.59	297.12	229.31	
Furniture & Fixtures	9.76	1.90	0.16	11.50	7.39	6.65	0.01	0.00	0.10	7.85	3.55	2.39	
Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06	
Leasehold Improvements	4.59	0.33	0.00	4.92	0.30	0.46	0.00	0.00	0.09	0.67	4.25	4.29	
<b>Total</b>	<b>393.03</b>	<b>140.08</b>	<b>6.59</b>	<b>526.52</b>	<b>97.87</b>	<b>69.95</b>	<b>0.69</b>	<b>0.00</b>	<b>6.07</b>	<b>162.34</b>	<b>364.18</b>	<b>295.16</b>	
Previous year	295.20	140.12	3.29	383.03	59.18	39.88	1.62	0.22	3.03	97.87	295.16		
<b>II. Intangible Assets:</b>													
<b>Purchased Software</b>													
	9.62	5.37	0.00	14.99	8.40	6.52	0.07	0.00	0.00	8.89	6.00	1.22	
Previous year	8.90	0.72	0.00	9.62	7.44	0.94	0.01	0.01	0.00	8.40	1.22		
<b>Others :</b>													
Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Capital Work in Progress	105.44	575.19	268.75	411.88	0.00	0.00	0.00	0.00	0.00	0.00	411.88	105.44	
	105.44	575.19	268.75	411.88	0.00	0.00	0.00	0.00	0.00	0.00	411.88	105.44	
Previous year	46.63	216.74	157.92	195.44	0.00	0.00	0.00	0.00	0.00	0.00	105.44		
<b>NOTE - Part A - 6 REGROUPED CONSOLIDATED FIXED ASSETS</b>													
<b>Description</b>	<b>Opening Balance as at 01.04.2015</b>	<b>Additions / Adjustments</b>	<b>Deductions / Adjustments</b>	<b>Closing Balance as at 31.03.2016</b>	<b>Opening Balance as at 01.04.2015</b>	<b>For the period 01.04.2015 to 31.03.2016</b>	<b>Adjustment</b>	<b>DEPRECIATION</b>	<b>DEPRECIATION</b>	<b>Closing Balance as at 31.03.2016</b>	<b>As at 31.03.2016**</b>	<b>As at 31.03.2015</b>	
<b>Withdrawn/ Written back</b>													
<b>I. Tangible Assets :</b>													
<b>Owned Assets</b>													
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38	
Land (Leasehold)	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87	
Buildings	24.92	0.00	0.00	24.92	9.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01	
EDP Equipments	17.27	2.29	2.04	17.52	13.31	3.02	0.00	0.00	1.93	14.40	3.12	3.94	
Office and other equipments	56.62	107.83	1.42	163.03	14.39	14.74	0.01	0.00	1.26	27.88	135.15	36.93	
Furniture & Fixtures	7.97	0.91	0.08	8.86	6.49	6.58	0.05	0.00	0.06	7.06	1.74	1.45	
Vehicles	0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13	
Leasehold Improvements	0.00	0.48	0.00	0.48	0.00	0.03	0.01	0.00	0.00	0.04	0.44	0.00	
<b>Total</b>	<b>148.23</b>	<b>111.51</b>	<b>3.54</b>	<b>256.20</b>	<b>43.17</b>	<b>19.19</b>	<b>0.07</b>	<b>0.00</b>	<b>3.25</b>	<b>89.18</b>	<b>197.02</b>	<b>99.71</b>	
Previous year	104.00	40.35	1.70	142.65	34.85	6.72	2.91	0.00	1.54	42.94	89.71	69.15	
<b>II. Intangible Assets:</b>													
<b>Purchased Software</b>													
<b>(Useful Life - 5 years)</b>													
	8.34	0.55	0.00	8.90	6.55	0.89	0.00	0.00	0.00	7.44	1.46	1.79	
Previous year	7.80	0.54	0.00	8.34	5.35	1.20	0.00	0.00	0.00	6.55	1.79	2.45	
<b>Others :</b>													
Intangible assets under development	0.00	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	
Capital Works in Progress	2.76	170.51	126.82	46.47	0.00	0.00	0.00	0.00	0.00	0.00	46.47	2.42	
	2.76	170.67	126.82	46.63	0.00	0.00	0.00	0.00	0.00	0.00	46.63	2.42	
Previous year	0.66	1.76	0.00	2.42	0.00	0.00	0.00	0.00	0.00	0.00	2.42	0.66	

NOTE - Part A 7									
REFORMATTED CONSOLIDATED NON- CURRENT INVESTMENTS									
(₹ In crore)									
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Number	Amount		Number	Amount		Number	Amount	
(A) Trade Investments (Face value of ₹ 10 /- each fully paid up - unless otherwise stated)									
<b>I. Equity Instruments (Quoted) - valued at Cost</b>									
PTC India Ltd.	1,20,00,000	12.00		1,20,00,000	12.00		1,20,00,000	12.00	
<b>II. Equity Instruments (Unquoted)</b>									
- Valued at Cost (Less diminution, if any, other than temporary)									
Power Exchange India Ltd.	32,20,000	3.22		32,20,000	3.22		32,20,000	3.22	
Less : Provision for diminution		3.22	0.00		3.22	0.00		3.22	0.00
Long term investment			57.14			0.60			0.00
Subsidiaries	7,50,000	0.75		7,50,000	0.75			1.08	
Less : Provision for diminution		0.00	0.75		0.00	0.75		0.00	1.08
<b>III. Others (Unquoted)</b>									
Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.	61,52,200		6.15	61,52,200		6.15	61,52,200		6.15
<b>Sub Total</b>			<b>76.04</b>			<b>19.50</b>			<b>19.23</b>
(B) Other Investment -Bonds (Quoted) (Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)									
8000 Bonds of Andhra Bank (Previous year :10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000	800.00		18,000	1800.00		18,000	1800.00	
<b>Sub Total</b>			<b>800.00</b>			<b>1,800.00</b>			<b>1,800.00</b>
<b>Grand Total#</b>			<b>876.04</b>			<b>1819.50</b>			<b>1819.23</b>

NOTE - Part A - 8 REFORMATTED CONSOLIDATED LOANS *		As at 31.03.2018				As at 31.03.2017			
		Current maturities (Twelve Months)	Non-Current	Total	Total	Current maturities (Twelve Months)	Non-Current	Total	Total
(₹ in crore)									
Description									
<b>A. Long Term</b>									
<b>I Secured Loans</b>									
<b>a) Considered Good</b>									
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	14,344.07	1,28,465.16	1,42,809.23	1,42,809.23	18,725.71	91,918.09	1,10,643.80		
RTLs to Independent Power Producers	1,935.12	11,476.35	13,411.47	13,411.47	6,648.19	23,034.61	29,682.80		
Foreign Currency Loans to Independent Power Producers	0.00	0.00	0.00	0.00	5.03	0.00	5.03		
Buyer's Line of Credit	118.58	1,372.38	1,490.96	1,490.96	67.48	1,376.96	1,444.44		
Lease Financing to Borrowers	0.00	0.00	0.00	0.00	8.62	185.70	194.32		
RTLs to Equipment Manufacturers	66.03	16,463.80	923.80	1,58,635.46	18.95	25,473.98	889.00	1,42,889.39	
<b>b) Others</b>									
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	311.41	4,704.48	5,015.89	5,015.89	2,323.18	21,064.92	23,388.10		
Less: Provision for contingencies	32.18	279.23	532.76	4,483.13	328.58	18,930.26	2,463.24	20,924.86	
RTL to Independent Power Producers - NPA	6,579.02	11,362.84	17,941.86	17,941.86	1,689.43	3,237.05	4,926.48		
Less: Provision for contingencies	1,971.38	4,607.64	3,440.52	14,501.34	527.87	7,084.22	1,236.29	3,690.19	
Lease financing to Borrowers - NPA	18.04	176.28	194.32	194.32	0.00	0.00	0.00		
Less: Provision for contingencies	1.80	17.63	158.65	174.89	0.00	0.00	0.00	0.00	
FCL to Independent Power Producers - NPA	201.75	0.00	201.75	201.75	58.70	134.48	193.18		
Less: Provision for contingencies	100.88	0.00	100.88	100.87	29.35	67.24	96.59	96.59	
<b>Sub-Total I</b>	<b>21,467.78</b>	<b>1,56,427.91</b>	<b>1,77,895.69</b>	<b>1,77,895.69</b>	<b>28,659.49</b>	<b>1,38,911.54</b>	<b>1,67,571.03</b>		
<b>II. Un-Secured Loans</b>									
<b>a) Considered Good</b>									
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	4,040.49	63,821.72	67,862.21	67,862.21	3,602.66	57,964.91	61,557.57		
RTLs to Independent Power Producers	539.68	14,464.39	15,004.07	15,004.07	1,127.87	3,413.96	4,541.83		
Buyer's Line of Credit	62.03	4,642.20	137.00	83,003.28	72.35	4,802.88	142.52	66,241.92	
<b>b) Others</b>									
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	0.00	0.00	0.00	0.00	269.33	373.83	643.16		
Less: Provision for contingencies	0.00	0.00	0.00	0.00	26.93	242.40	154.13	489.03	









NOTE - Part A - 9												
REFORMATTED CONSOLIDATED OTHER ASSETS												
(₹ in crore)												
Description	As at 31.03.2018						As at 31.03.2017					
	Current		Non-Current		Total		Current		Non-Current		Total	
<b>LOANS &amp; ADVANCES</b>												
<b>Loans (considered good)</b>												
a) to Employees (Secured)	2.09		9.79		11.88		2.25		11.94		14.19	
b) to Employees (Unsecured)	10.19	12.28	45.53	55.32	55.72	67.60	9.76	12.01	48.22	60.16	57.98	72.17
<b>Advances (Unsecured considered good)</b>												
Advances recoverable in cash or in kind or for value to be received												
a) to Subsidiaries (including interest recoverable there on)	329.66		147.17		476.83		264.82		133.59		398.41	
Less : Provision for contingencies	2.65		0.00		2.65		0.86		0.00		0.86	
b) to Employees	1.71		1.33		3.04		1.41		1.28		2.69	
c) Prepaid Expenses	16.30		0.00		16.30		18.51		0.00		18.51	
d) Others	496.88		157.69		654.57		1,332.97		6.31		1,339.28	
Less : Provision for contingencies	0.00		0.00		0.00		0.01		0.00		0.01	
e) Advance Income Tax and Tax Deducted at Source (net)	1.96		369.08		371.04		2.78		162.66		165.44	
f) Tax deposited on demands under contest	73.11		138.13		211.24		33.16		183.79		216.95	
g) Security Deposits	0.89	917.86	3.04	816.44	3.93	1,734.30	0.47	1,653.25	1.91	489.54	2.38	2,142.79
<b>Amount Recoverable on account of Bonds fully serviced by Gol (Unsecured considered good)</b>												
a) Principal	0.00		5,000.00		5,000.00		0.00		5,000.00		5,000.00	
b) Interest	38.21	38.21	0.00	5,000.00	38.21	5,038.21	38.21	38.21	0.00	5,000.00	38.21	5,038.21
<b>OTHER ASSETS</b>												
<b>I Accrued but not due :</b>												
a) Interest on Loan Assets	3,976.60		0.00		3,976.60		3,736.71		0.00		3,736.71	
b) Interest on Loans to Employee	0.77		25.07		25.84		0.60		22.04		22.64	
c) Interest on Deposits and Investments	16.83	3,994.20	3.94	29.01	20.77	4,023.21	35.61	3,772.92	3.30	25.34	38.91	3,798.26
<b>II Accrued and due :</b>												
Incomes accrued & due on loans	82.22	82.22	0.00	0.00	82.22	82.22	168.58	168.58	0.00	0.00	168.58	168.58
<b>III Fixed Deposits with Scheduled Banks (original maturity more than twelve months)</b>												
	0.00	0.00	111.65	111.65	111.65	111.65	0.00	0.00	152.17	152.17	152.17	152.17
<b>Loans &amp; Advances (Unsecured - Others)</b>												
Non Performing Assets (NPAs)	2.61		0.00		2.61		16.40		0.00		16.40	
Less : Provision for contingencies	2.61	0.00	0.00	0.00	2.61	0.00	16.40	0.00	0.00	0.00	16.40	0.00
<b>Total #</b>		<b>5,044.77</b>		<b>6,012.42</b>		<b>11,057.19</b>		<b>5,644.97</b>		<b>5,727.21</b>		<b>11,372.18</b>

<b>NOTE - Part A - 9</b>						
<b>REFORMATTED CONSOLIDATED OTHER ASSETS</b>						
						(₹ in crore)
Description	As at 31.03.2016					
	Current		Non-Current		Total	
<b>LOANS &amp; ADVANCES</b>						
<b>Loans (considered good)</b>						
a) to Employees (Secured)	2.33		14.33		16.66	
b) to Employees (Unsecured)	8.48	10.81	46.68	61.01	55.16	<b>71.82</b>
<b>Advances (Unsecured considered good)</b>						
Advances recoverable in cash or in kind or for value to be						
a) to Subsidiaries (including interest recoverable there on)	199.26		117.76		317.02	
Less : Provision for contingencies	0.00		0.00		0.00	
b) to Employees	1.63		1.89		3.52	
c) Prepaid Expenses	18.86		0.00		18.86	
d) Unamortized financial charges on Commercial Paper	0.00		0.00		0.00	
d) Others	235.12		9.33		244.45	
Less : Provision for contingencies	0.00		0.00		0.00	
e) Advance Income Tax and Tax Deducted at Source (net)	9.73		58.36		68.09	
f) Tax deposited on demands under contest	28.58		144.47		173.05	
g) Security Deposits	3.28	496.46	0.69	332.50	3.97	<b>828.96</b>
<b>OTHER ASSETS</b>						
<b>I Accrued but not due :</b>						
a) Interest on Loan Assets	4,814.39		0.00		4,814.39	
b) Other charges	11.92		0.00		11.92	
b) Interest on Loans to Employee	0.50		18.87		19.37	
c) Interest on Deposits and Investments	38.13	4,864.94	1.15	20.02	39.28	<b>4,884.96</b>
<b>II Accrued and due :</b>						
Incomes accrued & due on loans	778.17	778.17	0.00	0.00	778.17	<b>778.17</b>
<b>III</b> Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	0.00	0.00	57.37	57.37	57.37	<b>57.37</b>
<b>Loans &amp; Advances (Unsecured - Others)</b>						
Non Performing Assets (NPAs)	1.17		0.00		1.17	
Less : Provision for contingencies	1.01	0.16	0.00	0.00	1.01	<b>0.16</b>
<b>Total</b>		<b>6,150.54</b>		<b>470.90</b>		<b>6,621.44</b>

NOTE - Part A 10									
REFORMATTED CONSOLIDATED CURRENT INVESTMENTS									
(₹ in crore)									
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Number	Amount		Number	Amount		Number	Amount	
<b>A. Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up)</b>									
- Valued for category at lower of cost or market value									
PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02		4,39,349	2.28		489349	2.54	
REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50		95,904	0.50		47952	0.5	
Coal India Ltd. (Cost Price ₹ 358.58 per Share)	1,39,64,530	500.74		1,39,64,530	500.74		13964530	500.74	
NHPC Limited (Cost Price ₹ 21.78 per Share)	26,05,42,051	567.50		26,05,42,051	567.50		0	0	
Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76		0.00	1071.02		93.04	410.74
<b>B. Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹ 10/- each fully paid up)</b>									
- Valued in accordance with Para - 7.2 of Note Part - B - Consolidated Significant Accounting Policies									
Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10		13,18,46,779	66.10		0	0	
Less : Provision for diminution on Equity Instruments (Un-Quoted)		66.10	0.00		66.10	0.00		0.00	0
GMR Chhattisgarh Energy Ltd.	27,50,00,000	275.00		27,50,00,000	275.00		0	0	
Less : Provision for diminution on Equity Instruments (Un-Quoted)		275.00	0.00		20.49	254.51		0.00	0
<b>C. Equity Instruments (Unquoted)</b>									
Subsidiaries	1,70,000	0.17		2,40,000	0.24		0	0.00	
Less : Provision for diminution		0.15	0.02		0.10	0.14		0.00	0.00
<b>TOTAL</b>			<b>1070.78</b>			<b>1325.67</b>			<b>410.74</b>

NOTE - Part A 11							
REFORMATTED CONSOLIDATED CASH AND BANK BALANCES							
(₹ in crore)							
	Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>A</b>	<b>Cash and Cash Equivalents</b>						
	i) Balances in Current accounts with:						
	Reserve Bank of India	0.02		0.02		0.05	
	Scheduled Banks	157.35	157.37	151.18	151.20	141.87	141.92
	ii) Cheques in hand		0.00		0.00		0
	iii) Imprest with postal authority		0.00		0.00		0
	iv) Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		532.95		3,073.14		3.73
	<b>Sub-total (A)</b>		<b>690.32</b>		<b>3,224.34</b>		<b>145.65</b>
<b>B</b>	<b>Earmarked Balances:</b>						
	i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend etc.		11.04		458.41		6.41
	ii) IPDS / R-APDRP balances in current accounts with scheduled banks		4.45		0.00		13.01
	Fixed Deposits with Banks		0		0		0
	iii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00		0.00		30.97
	<b>Sub-total (B)</b>		<b>15.49</b>		<b>458.41</b>		<b>50.39</b>
<b>C</b>	<b>Other Balances</b>						
	i) Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)		74.73		110.08		105.51
	<b>Sub-total (C)</b>		<b>74.73</b>		<b>110.08</b>		<b>105.51</b>
	<b>Grand Total (A) + (B) + (C)</b>		<b>780.54</b>		<b>3,792.83</b>		<b>301.55</b>

NOTE - Part A - 12						
REFORMATTED CONSOLIDATED REVENUE FROM OPERATIONS						
( ₹ in crore)						
Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>I Interest</b>						
Interest on Loans	26,252.88		26,650.50		27,379.56	
Less : Rebate for Timely Payment to Borrowers	381.78		316.98		297.46	
Less : Post COD Timely Payment Rebate	7.81	25,863.29	22.39	26,311.13	2.56	27,079.54
Lease income		6.72		21.98		20.29
<b>Sub Total (I)</b>		<b>25,870.01</b>		<b>26,333.11</b>		<b>27,099.83</b>
<b>II Consultancy / Advisory Services</b>						
Income from consultancy assignment		179.25		179.91		259.37
Syndication and Debenture Trustee Fee		0.00		1.53		3.15
<b>Sub Total (II)</b>		<b>179.25</b>		<b>181.44</b>		<b>262.52</b>
<b>III Other Operating Income</b>						
Income from surplus funds		56.70		112.37		105.73
Interest on bonds		196.80		196.64		28.90
Interest received on advances given to subsidiaries		18.19		12.54		12.29
Profit on sale of Bonds of Borrowers		0.00		0.00		9.05
Sale of goods		332.79		326.72		0
Others		0.14		0.24		2.8
<b>Sub Total (III)</b>		<b>604.62</b>		<b>648.51</b>		<b>158.77</b>
<b>IV Other Financial Services</b>						
Prepayment Premium on Loans		179.10		201.77		170.46
Upfront Fee on Loans		46.03		38.80		21.58
Management, Agency & Guarantee Fee		64.53		48.96		49.38
Commitment charges on Loans		2.25		5.17		5.06
Fee on account of GoI Schemes :-						
Nodal Agency Fee - R-APDRP	0.65		2.24		0.66	
Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40	34.51	35.17
<b>Sub Total (IV)</b>		<b>322.30</b>		<b>318.10</b>		<b>281.65</b>
<b>Grand Total (I) + (II) + (III) + (IV)</b>		<b>26,976.18</b>		<b>27,481.16</b>		<b>27,802.77</b>

<b>NOTE - Part A - 13</b>			
<b>REFORMATTED CONSOLIDATED OTHER INCOME</b>			
			(₹ in crore)
Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
Dividend Income	65.38	95.73	48.10
Others	24.84	22.11	14.97
Profit on sale of Fixed Assets	0.00	0.03	0.08
Profit on sale of Non-Current Investments	0.00	0.00	0.05
Profit on sale of Current Investments	0.78	0.50	0.44
Interest on Income Tax Refund	4.78	3.88	9.11
Miscellaneous Income	8.35	7.62	9.56
Excess Liabilities & Provisions written back	165.02	0.26	0.55
Processing Fee	0.00	0.00	0.14
<b>Total</b>	<b>269.15</b>	<b>130.13</b>	<b>83.00</b>

NOTE - Part A - 14						
REGROUPED CONSOLIDATED FINANCE COSTS						
Description	Year ended 31.03.2018		Year ended 31.03.2017		As at 31.03.2016	
<b>I. Interest</b>						
On Bonds	16,054.78		15,592.33		15071.06	
On Loans	334.25		355.46		646.68	
GOI on Interest Subsidy Fund	9.32		9.06		8.86	
Financial Charges on Commercial Paper	482.71		389.72		277.43	
Swap Premium ( Net )	(34.95)	16,846.11	(23.42)	16,323.15	1.65	16005.68
<b>II. Other Charges</b>						
Commitment & Agency Fee	1.13		0.79		0.67	
Guarantee, Listing & Trusteeship Fee	3.42		3.38		2.13	
Management Fees on Foreign Currency Loans	4.29		0.01		39.32	
Bank / Other charges	0.00		0.00		0.01	
Purchase of goods	267.23		265.68		0	
Direct overheads	34.18		35.88		167.52	
Interest paid on advances received from subsidiaries	5.93	316.18	6.35	312.09	5.11	214.76
<b>III Net Translation / Transaction Exchange Loss (+) / Gain (-)</b>		246.67		310.55		424.94
<b>IV Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)</b>		132.45		(178.15)		0
<b>Total (I + II + III+ IV)</b>		<b>17,541.41</b>		<b>16,767.64</b>		<b>16,645.38</b>



<b>NOTE - Part A - 15</b>			
<b>REGROUPED CONSOLIDATED BORROWING EXPENSES</b>			
<b>Description</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
Interest on Application Money	0.03	0.00	11.51
Credit Rating Fee	4.96	4.65	4.2
Other Issue Expenses	15.76	14.04	11.23
Stamp Duty Fee	7.70	7.89	6.5
<b>Total</b>	<b>28.45</b>	<b>26.58</b>	<b>33.44</b>

<b>NOTE - Part A - 16</b>			
<b>REFORMATTED CONSOLIDATED EMPLOYEE BENEFIT EXPENSES</b>			
			(₹ in crore)
Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Salaries, Wages and Bonus	152.23	98.02	78.14
Contribution to Provident and other funds	19.70	15.76	13.53
Staff Welfare	15.08	13.36	9.68
Rent for Residential accommodation of employees	5.77	6.10	5.28
<b>Total</b>	<b>192.78</b>	<b>133.24</b>	<b>106.63</b>

<b>NOTE - Part A - 17</b>			
<b>REGROUPED CONSOLIDATED OTHER EXPENSES</b>			
<b>Description</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
Office Rent	6.97	4.99	1.00
Electricity & Water charges	2.09	1.85	1.94
Insurance	0.26	0.27	0.15
Repairs & Maintenance	12.52	5.96	4.02
Stationery & Printing	2.41	2.14	1.93
Travelling & Conveyance	18.52	12.87	10.12
Postage, Telegraph & Telephone	2.60	2.41	2.08
Professional & Consultancy charges	2.85	3.76	4.30
Miscellaneous Expenses	48.37	62.91	24.45
Loss on sale of Fixed Assets	0.42	0.19	0.17
Loss on Disposal of Investment	0.00	0.98	0.00
Auditors' Remuneration*	0.96	0.70	0.84
Service Tax	1.44	2.60	9.34
Rates & Taxes	1.88	3.25	1.12
Goods & Services Tax	5.45	0.00	0.00
Contribution to PMC (MoP)	0.28	0.41	0.51
<b>Sub - Total (I)</b>	<b>107.02</b>	<b>105.29</b>	<b>61.97</b>
<b>Others</b>			
R-APDRP Expenses	-	-	-
<b>Sub - Total (II)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>107.02</b>	<b>105.29</b>	<b>61.97</b>

<b>Note - Part A -18</b>						
<b>REFORMATTED CONSOLIDATED PRIOR PERIOD ITEMS (NET)</b>						
						( ₹ in crore)
<b>Description</b>	<b>Year ended 31.03.2018</b>		<b>Year ended 31.03.2017</b>		<b>Year ended 31.03.2016</b>	
<b>Prior Period Expenses :</b>						
Interest & other Charges	0.00		0.24		(0.02)	
Issue Expenses	0.00		0.00		0.00	
Personnel & Administration Expenses - CSR	0.00		0.00		0.00	
Personnel & Administration Expenses - Others	1.05		0.78		0.19	
Depreciation	(0.02)	<b>1.03</b>	0.22	<b>1.24</b>	0.00	<b>0.17</b>
<b>Less : Prior Period Income :</b>						
Interest Income	0.00		(0.19)		0.00	
Other Income	(0.01)	<b>(0.01)</b>	(0.04)	<b>(0.23)</b>	(2.23)	<b>(2.23)</b>
<b>Total</b>		<b>1.04</b>		<b>1.47</b>		<b>(2.06)</b>

<b>Note - Part A -19</b>			
<b>REFORMATTED CONSOLIDATED TRADE RECEIVABLES</b>			
			( ₹ in crore)
Description	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.</b>			
(a) Secured, considered good;	0	0	0
(b) Unsecured, considered good;	228.74	166.03	49.16
(c) Doubtful	10.68	7.5	0.00
Less: Provision for bad and doubtful debts	10.68	7.5	0.00
<b>Sub-Total (I)</b>	<b>228.74</b>	<b>166.03</b>	<b>49.16</b>
<b>Other Debts</b>			
(a) Secured, considered good;	0	0	0
(b) Unsecured, considered good;	156.56	113.53	62.05
(c) Doubtful.	0.00	0.24	0
Less: Provision for bad and doubtful debts	0.00	0.24	0
<b>Sub-Total (II)</b>	<b>156.56</b>	<b>113.53</b>	<b>62.05</b>
<b>Total</b>	<b>385.30</b>	<b>279.56</b>	<b>111.21</b>

**A. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

- i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.
- ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

**B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for, as per policy no. 7 infra.**

**C. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 2013, applicable regulatory norms / guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

**(b) USE OF ESTIMATES**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**2. RECOGNITION OF INCOME/EXPENDITURE**

**2.1 Income and expenses (except as stated below) are accounted for on accrual basis.**

**2.1.1 As per applicable RBI directions , income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.**

- 2.1.2** Income under the head carbon credit is accounted for in the year in which it is received by the Company.
- 2.1.3** As per applicable RBI directions, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.
- 2.2** Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3** Discount / financial charges / interest on the commercial papers, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.
- 2.4** Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.
- 2.5** Expenditure on issue of shares is charged to the securities premium account.
- 2.6** As per applicable RBI directions, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- 2.7** Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.8** Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.
- 2.9** Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- 2.10** Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of the Company) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- 2.11** The sale proceeds from Request for Qualification (RFQ) documents for ITPs and UMPPs are accounted for when received.
- 2.12** Revenue from sale of goods is recognized at the time of delivery of goods to customers.
- 2.13** Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of Profit & Loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP /UJALA programme is charged to Statement of Profit and Loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/UJALA programme and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years.

### **3. PRELIMINARY EXPENDITURE**

In case of PFCCAS, preliminary expenditure related to its formation is fully written off in the year in which it is incurred.

#### 4. TANGIBLE ASSETS/DEPRECIATION

- 4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method\* over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone <sup>(1)</sup>	2 Years
ESCO projects <sup>(2)</sup>	Project period
Lease Hold Improvements <sup>(3)</sup>	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCCCL)
Residential Assets	3 years (in case of EESL)

\* Depreciation is provided using Straight line method by EESL

<sup>(1)</sup>Useful life has been taken as 2 years by the Company, PFCCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

<sup>(2)</sup>Useful life taken by EESL

<sup>(3)</sup> Lease hold improvements are amortised on straight line basis.

- 4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.
- 4.5 The Capital Expenditure incurred on Fixtures & other fixed assets installed at the leased premises are recognised at cost and are shown as Leasehold Improvements under Tangible fixed assets.

#### 5. CAPITAL WORK-IN-PROGRESS

Administrative and general overhead expenses specifically attributable to project incurred till they are ready for intended use are identified and allocated on a systematic basis to the cost of related assets.

#### 6. INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years. In case of PFCCCL, life is estimated as 3 years.

#### 7. INVESTMENTS

- 7.1 As per applicable RBI directions, quoted current investments are valued category-wise, at lower of cost or market value.
- 7.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.
- 7.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.



## 8. ASSET CLASSIFICATION AND PROVISIONS

### 8.1 BASIS OF ASSET CLASSIFICATION

Loans & other credit facilities and lease assets are classified into the following classes, namely:

**8.1.1** Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

**8.1.2** (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset is classified as NPA if it remains overdue for a period of 3 months or more.

### 8.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

**8.2.1** The provisioning is made in respect of loans and other credit facilities as under:

S. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%

	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
5.	Loss Asset if not written off	100%

**8.2.2** Provision on hire purchase and lease assets is as per para 13(2) of the “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” as amended from time to time.

**8.2.3** Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

**8.3** As regards PFCGEL, asset classification and provisioning norms in respect of loans and other credit facilities is in accordance with Prudential Norms issued by RBI.

**8.4** In case of PFCCL, the provision for doubtful debts and advances is made on the basis of various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and management's assessment of the recoverability of the amounts which are outstanding for at least two years. Such amounts are written off when considered for write off after a period of 3 years from the date of provision, after taking Board approval in each case of such provision, where chance of recovery is Nil.

## **9. FOREIGN CURRENCY TRANSACTIONS**

**9.1** The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

- (i) Expenses and income in foreign currency; and
- (ii) Amounts borrowed and lent in foreign currency.

**9.2** The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

- (i) Foreign currency loan liabilities.
- (ii) Funds kept in foreign currency account with banks abroad.
- (iii) Contingent liabilities in respect of guarantees given in foreign currency.
- (iv) Income earned abroad but not remitted / received in India.
- (v) Loans granted in foreign currency.
- (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

**9.3** In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period. In case of EESL, such exchange differences are recognized in the Statement of Profit and Loss.

## **10. DERIVATIVE TRANSACTIONS**

- 10.1** Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.
- 10.2** These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.
- 10.3** Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.
- 10.4** Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the Statement of Profit and Loss.

## **11. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 11.1** The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
  - 11.1.1** Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
  - 11.1.2** The income on account of fee etc. arising from implementation of such Gol schemes is accounted for in accordance with the respective scheme / Gol directives as applicable.

## **12. INTEREST SUBSIDY FUND**

- 12.1** Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.
- 12.2** Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Statement of Profit & Loss, at rates specified in the Scheme.

## **13. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 13.1** Expenditure incurred on the subsidiaries is debited to the account “Amount recoverable from concerned subsidiary”.
- 13.2** Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 13.3** Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 13.4** Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

**13.5** The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

#### **14. EMPLOYEE BENEFITS**

##### **14.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the Statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

##### **14.2 OTHER EMPLOYEE BENEFITS**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

#### **15. INCOME TAX**

**15.1** Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**15.2** Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

#### **16. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

#### **17. CASH AND CASH EQUIVALENTS**

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

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**Note - Part – B**

**CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES**

**A. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

- i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.
- ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

**B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.**

**C. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

**(b) USE OF ESTIMATES**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**2. RECOGNITION OF INCOME/EXPENDITURE**

**2.1** Income and expenses (except as stated below) are accounted for on accrual basis.

- 2.1.1** In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.
- 2.1.2** Income under the head carbon credit is accounted for in the year in which it is received by the Company.
- 2.1.3** In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.
- 2.2** Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3** Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4** Expenditure on issue of shares is charged to the securities premium account.
- 2.5** In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- 2.6** Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7** Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.
- 2.8** Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- 2.9** Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- 2.10** The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

### **3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE**

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

### **4. TANGIBLE ASSETS/DEPRECIATION**

- 4.1** Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 4.2** Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 4.3** Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone <sup>(1)</sup>	2 Years
ESCO projects <sup>(2)</sup>	Project period
Lease Hold Improvements <sup>(3)</sup>	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCL)

<sup>(1)</sup>Useful life has been taken as 2 years by the Company, PFCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

<sup>(2)</sup>Useful life taken by EESL.

<sup>(3)</sup>Useful life taken by EESL and PFCL (one of Company's Subsidiary).

- 4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.
- 4.5 The Capital Expenditure Incurred on Fixtures & other fixed assets Installed at the leased premises are recognised at cost and are shown as Leasehold Improvements under Tangible fixed assets.

## 5. INTANGIBLE ASSETS / AMORTIZATION

- 5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

## 6. INVESTMENTS

- 6.1 In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.
- 6.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.
- 6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 7. ASSET CLASSIFICATION AND PROVISIONS

### 7.1 BASIS OF ASSET CLASSIFICATION

Loans & other credits and lease assets are classified into the following classes, namely:

- 7.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.
- 7.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or	NPA for a period not exceeding 14	NPA for a period exceeding 14	(a) Asset identified as loss asset by the Company or its internal

	more	months	months	or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) The classification of project loans as a sub-standard asset has also been done as per the RBI norms for restructured advances.

(iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

## 7.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

7.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 7.3)	0.35%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

7.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

7.2.3 Provision on hire purchase and lease assets is as per para13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

## 7.3 PROVISIONING AGAINST RESTRUCTURED LOANS

7.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

- new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
- all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to



be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

**7.3.2** RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

**7.4** For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured Advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

**7.5** As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

**7.6** In case of PFCCL, the provision for doubtful debts and advances is made on the basis of on various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and managements assessment of the recoverability of the amount which are outstanding for at least two years. Such amounts are written off when considered unrealizable.

## **8. FOREIGN CURRENCY TRANSACTIONS**

**8.1** The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

- (i) Expenses and income in foreign currency; and
- (ii) Amounts borrowed and lent in foreign currency.

**8.2** The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

- (i) Foreign currency loan liabilities.
- (ii) Funds kept in foreign currency account with banks abroad.
- (iii) Contingent liabilities in respect of guarantees given in foreign currency.
- (iv) Income earned abroad but not remitted / received in India.
- (v) Loans granted in foreign currency.
- (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

**8.3** In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

**8.4** In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **9. DERIVATIVE TRANSACTIONS**

- 9.1** Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.
- 9.2** These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.
- 9.3** Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.
- 9.4** Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

## **10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 10.1** The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
- 10.1.1** Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
- 10.1.2** The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **11. INTEREST SUBSIDY FUND**

- 11.1** Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.
- 11.2** Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 12.1** Expenditure incurred on the subsidiaries is debited to the account “Amount recoverable from concerned subsidiary”.
- 12.2** Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 12.3** Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 12.4** Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

- 12.5** The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

### **13. EMPLOYEE BENEFITS**

#### **13.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

#### **13.2 OTHER EMPLOYEE BENEFITS**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

### **14. INCOME TAX**

- 14.1** Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 14.2** Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

### **15. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

### **16. CASH AND CASH EQUIVALENTS**

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

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Part – B

**CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES**

**A. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

- i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.
- ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

**B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.2 infra.**

**C. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

**2. RECOGNITION OF INCOME/EXPENDITURE**

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

- 2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4 Expenditure on issue of shares is charged to the securities premium account.
- 2.5 Income from dividend is accounted when the right to receive has been established i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.
- 2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.
- 2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- 2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- 2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

### 3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

### 4. TANGIBLE ASSETS/DEPRECIATION

- 4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone <sup>(1)</sup>	2 Years
ESCO projects <sup>(2)</sup>	Project period
Lease Hold Improvements <sup>(2)</sup>	Lease Period

<sup>(1)</sup>Useful life has been taken as 2 years by the Company, PFCGEL (one of Company's Subsidiary) and EESL (one of Company's Joint Venture).

<sup>(2)</sup>Useful life taken by EESL.

4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

## 5. INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

## 6. INVESTMENTS

6.1 Current investments are valued individually at lower of cost or fair value.

6.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 7. Asset Classification and Provisions

### 7.1 Asset Classification

Loans & other credits and lease assets are classified into the following classes, namely:

**7.1.1** Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

**7.1.2** (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2016	Overdue for 5 months or more	NPA for a period not exceeding 16 months	NPA for a period exceeding 16 months	Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	As per RBI norms.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

## 7.2 Provisioning against Standard Loans and NPAs

7.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

S. No.	Description	Rate of Provision as at 31.03.2016
1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 7.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
More than one year to upto three years	30%	
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

7.2.2 As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

7.2.3 A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.

7.2.4 Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

## 7.3 Provisioning against Restructured Loans

7.3.1 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

7.3.2 For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

- a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
- b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

7.4 For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single

escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.

- 7.5 As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

## **8. FOREIGN CURRENCY TRANSACTIONS**

- 8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

- (i) Expenses and income in foreign currency; and
- (ii) Amounts borrowed and lent in foreign currency.

- 8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

- (i) Foreign currency loan liabilities.
- (ii) Funds kept in foreign currency account with banks abroad.
- (iii) Contingent liabilities in respect of guarantees given in foreign currency.
- (iv) Income earned abroad but not remitted / received in India.
- (v) Loans granted in foreign currency.
- (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

- 8.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

- 8.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **9. DERIVATIVE TRANSACTIONS**

- 9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

- 9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

- 9.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

## **10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

- 10.2 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.



10.3 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **11. INTEREST SUBSIDY FUND**

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

## **13. EMPLOYEE BENEFITS**

### **13.1 Provident Fund, Gratuity, Pension Fund and Post-Retirement Benefits**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

### **13.2 Other Employee Benefits**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

## **14. INCOME TAX**

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

#### **15. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

#### **16. CASH AND CASH EQUIVALENTS**

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

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**FY 2017-18**  
**Note Part – C**  
**Consolidated Other Notes on Accounts**

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. The consolidated financial statements represent consolidation of accounts of the Company (Power Finance Corporation Limited), its Subsidiary Companies and Joint Venture entity as detailed below:

Name of the Subsidiary Companies / Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2018	31.03.2017	01.04.2017 – 31.03.2018
<b>Subsidiary Companies:</b>				
PFC Consulting Limited (PFCL) <sup>(i)</sup>	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL) <sup>(ii)</sup>	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS) <sup>(i)</sup>	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP) <sup>(iii)</sup>	India	100%	100%	Audited
<b>Joint Venture Entities:</b>				
Energy Efficiency Services Limited (EESL)	India	31.71%	31.71%	Unaudited

<sup>(i)</sup> Subsequent to decision by Board of Directors of respective subsidiaries, merger of PFCCAS with PFCL is under progress.

<sup>(ii)</sup> In continuation to decision taken in meeting dated 09<sup>th</sup> August, 2016, Board of Directors of the Company in its meeting held on 29<sup>th</sup> September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.

<sup>(iii)</sup> Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

S. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Subsidiary Companies:</b>						
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited*	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited**	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	100%	0.05	0.05

	<b>Total</b>				<b>0.75</b>	<b>0.75</b>
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\*MoP vide its OM dated 16<sup>th</sup> January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.

\*\*MoP vide its OM dated 21st June, 2016 has conveyed its approval for the winding up of TAMPL. The related proceedings are under way.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 6 subsidiary companies (out of 8 wholly owned subsidiaries of PFCCL, 2 were transferred to successful bidders during FY 2017-18) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

S. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Subsidiary Companies:						
1.	Fatehgarh-Bhadla Transmission Limited <sup>(i)</sup>	31.01.2017	14.03.2018	-	100%	-	0.01
2.	Goa- Tamnar Transmission Project Limited <sup>(i)</sup>	21.02.2017	14.03.2018	-	100%	-	0.01
3.	Bijawar-Vidharbha Transmission Limited	21.02.2017	--	100%	100%	0.01	0.01
4.	Shongtong Karcham-Wangtoo Transmission Limited	21.02.2017	--	100%	100%	0.01	0.01
5.	Tanda Transmission Company Limited <sup>(ii)</sup>	21.10.2013	--	100%	100%	0.05	0.05
6.	Ballabgarh-GN Transmission Company Limited <sup>(ii)</sup>	21.10.2013	--	100%	100%	0.05	0.05
7.	Mohindergarh-Bhiwani Transmission Limited <sup>(ii)</sup>	23.12.2014	--	100%	100%	0.05	0.05
8.	South-Central East Delhi Power Transmission Limited <sup>(ii)</sup>	18.02.2015	--	100%	100%	-	0.05
	<b>Total</b>					<b>0.17</b>	<b>0.24</b>

<sup>(i)</sup> Transferred to successful bidder(s) on completion of the bidding process

<sup>(ii)</sup> Under process of winding up.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

2.3 In terms of RBI circular, borrower companies in which the Company holds 20% or more of the equity share capital, acquired in satisfaction of its advance, are not required to be consolidated.

3. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	153.75	190.38
(ii)	Claims against the Company not acknowledged as debts	68.65	11.74
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1694.60	1,640.56
	<b>Total</b>	<b>1,917.00</b>	<b>1,842.68</b>

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 165.39 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

3.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for, is ₹ 557.41 crore as on 31.03.2018 (Previous year ₹ 103.95 crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39 <sup>§</sup>	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97*	118.39

\* Pertaining to Assessment Year 2001-02 to 2015-16.  
<sup>§</sup> Pertaining to Assessment Year 2001-02 to 2014-15.

5. A. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.

B. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2018.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	5.98	0.67
(iv)	Training Expenses	0.35	0.29
<b>B.</b>	<b>Earning in foreign currency</b>	0.88	1.27

\*including withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
<b>Total</b>		<b>8,940.05</b>		<b>6,405.68</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore). In case of EESL, such exchange difference is recognized in the Statement of Profit and Loss.

D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
<b>Power Finance Corporation Limited</b>	
Shri Rajeev Sharma, CMD and CEO <sup>(i)</sup>	with effect from 01.10.2016
Shri R Nagarajan, Director (Finance) and CFO <sup>(ii)</sup>	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO <sup>(iii)</sup>	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects) <sup>(iv)</sup>	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial) <sup>(v)</sup>	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014
<b>Subsidiary Companies</b>	
Shri Subir Mulchandani, CEO, PFCCL	With effect from 01.09.2016
Shri Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Shri Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt. Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Shri Avkash Saxena, Director (PECAP)	With effect from 23.09.2016

Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman & Director, EESL	with effect from 05.02.2018
Shri Kaushal Kishore Sharma, Chairman & Director	with effect from 21.10.2016 to 31.10.2017
Renu Narang, Director Finance	with effect from 01.03.2018
Pooja Shukla, Company Secretary	with effect from 27.12.2012

(i) Chairman in PFCCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

(ii) Director in PFCCCL (w.e.f 21.10.2008 till 31.05.2017), PFCGEL (w.e.f 30.03.2011 till 31.05.2017), and PFC CAS (w.e.f 18.07.2011 till 31.05.2017).

(iii) Director in PFCCCL (w.e.f 24.08.2017), PFCGEL (w.e.f 25.08.2017), and Additional Director in PFCCAS (w.e.f 17.11.2017).

(iv) Director in PFCCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009), PFCCAS (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

(v) Director in PFCCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCAS (w.e.f 30.03.2016)

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 4.26 crore (Previous year ₹ 4.36 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.51 crore).

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

Name of the Subsidiary Companies	(₹ in crore)			
	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
Cheyur Infra Limited	0.06	0.04	0.06	0.04
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
Subsidiaries of PFCCCL	2.40	2.79	2.40	3.68
<b>Total*</b>	<b>474.18</b>	<b>398.41</b>	<b>474.35</b>	<b>400.96</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
<b>Total</b>	<b>459.01</b>	<b>441.32</b>	<b>459.64</b>	<b>441.32</b>

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
<b>Unearned finance income</b>	<b>133.83</b>	<b>141.47</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
<b>Total</b>	<b>328.15</b>	<b>335.79</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
<b>Total</b>	<b>194.32</b>	<b>194.32</b>

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.45 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.



(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.74 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2018 (Previous year ₹ 327.71 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices, warehouses and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable (non-cancellable in case of joint venture EESL and one of Company's subsidiary PFCCL). Rent for residential accommodation of employees include ₹ 5.77 crore (Previous year ₹ 6.10 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Consolidated Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 6.97 crore (Previous year ₹ 4.99 crore) are shown as office rent in Note Part A 17 – Consolidated Other Expenses. Future lease payments in respect of these lease arrangements (non-cancellable) are given below:

(₹ in crore)		
Future minimum lease rent payments	Year ended 31.03.2018	Year ended 31.03.2017
Not later than one year	8.50	8.49
Later than one year and not later than 5 years	19.04	5.31
Later than 5 years	3.34	5.74
<b>Total</b>	<b>30.88</b>	<b>19.54</b>

10. Implementation of GoI Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GoI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Opening Balance	109.69	107.47
Add : Received during the period	-	-
: Interest credited during the period	9.32	9.06
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	3.01	6.84
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>116.00</b>	<b>109.69</b>

## (B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the Gol under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the Gol on receipt from borrowers. The amount recoverable from borrowers & payable to Gol under R – APDRP scheme stands at ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A &amp; B of R-APDRP, whichever is less.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).

## (C) Integrated Power Development Scheme (IPDS)

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, Gol. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of Gol grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

Amount of GOI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

11. (a) As regards RBI Credit Concentration Norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

(b) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.

12.	Loan Assets, Other assets and provisions thereon:	(₹ in crore)					
		As at 31.03.2018			As at 31.03.2017		
S. No.	Asset Classification	Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	228,432.50	780.72	1,340.65	159,726.85	(38.55)	559.93
(ii)	Restructured Standard Assets	24,167.65 <sup>#</sup>	(950.53)	1,407.32	55,473.12	1,228.65	2,357.85
(iii)	Sub-standard Assets	17,375.97	(637.56)	1,737.60	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.03	944.20	3,652.46	6,677.81	1,986.27	2,708.26
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
<b>(B) Other Assets and provision thereon</b>							
(i)	Other Assets – NPA / Bad & Doubtful (other than considered good)	5.26	(12.01)	5.26	17.29	16.26	17.27
(ii)	Trade Receivable* - NPA	10.68	2.94	10.68	7.74	7.74	7.74
	<b>Grand Total</b>	<b>2,79,344.19</b>	<b>570.02</b>	<b>8,869.07</b>	<b>245,927.21</b>	<b>5,112.33</b>	<b>8,299.05</b>
<sup>#</sup> ₹ 4,937.59 crore in private sector and ₹ 19,230.06 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 36,027.20 crore in Govt. sector). * Pertains to PFCCL (One of Company's Subsidiary) and EESL (Joint Venture).							
13.	In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).						
14.	Basis of secured / un-secured categorization of loan assets:						
	a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.						
	b) In all other cases, secured / un-secured categorization is done on the basis of security status obtained from the lead lender.						

15. Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

S. N.	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total											
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total							
1	Restructured accounts as on 1 <sup>st</sup> April, 2017	No. of borrowers	Nil									22	2	7	-	31	22	2	7	-	31			
		Amount outstanding										55,473.12	15,001.83	4,768.24	-	75,243.19	55,473.12	15,001.83	4,768.24	-	75,243.19			
		Provision Thereon										2,357.85	1,500.18	1,662.61	-	5,520.64	2,357.85	1,500.18	1,662.61	-	5,520.64			
2	Categorised as restructured during the year	No. of borrowers	Nil									6	-	-	-	6	6	-	-	-	6			
		Amount outstanding										713.34	-	-	-	713.34	713.34	-	-	-	713.34			
		Provision Thereon										35.67	-	-	-	35.67	35.67	-	-	-	35.67			
3	Up gradation to restructured standard category during the year	No. of borrowers	Nil									2	(2)	-	-	-	2	(2)	-	-	-			
		Amount outstanding										12,016.83	(15,001.83)	-	-	(2,985.00)	12,016.83	(15,001.83)	-	-	(2,985.00)			
		Provision Thereon										600.84	(1,500.18)	-	-	(899.34)	600.84	(1,500.18)	-	-	(899.34)			
4	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY (including Pre-payment of loan)	No. of borrowers	Nil									(10)	-	-	-	(10)	(10)	-	-	-	(10)			
		Amount outstanding										(34,774.80)	-	-	-	(34,774.80)	(34,774.80)	-	-	-	(34,774.80)			
		Provision Thereon										(1,481.84)	-	-	-	(1,481.84)	(1,481.84)	-	-	-	(1,481.84)			
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil									(6)	4	2	-	-	(6)	4	2	-	-			
		Amount outstanding										(10,558.39)	9,069.61	2,121.12	-	632.33	(10,558.39)	9,069.61	2,121.12	-	632.33			
		Provision Thereon										(448.73)	906.96	424.22	-	882.45	(448.73)	906.96	424.22	-	882.45			
6	Write-offs restructured accounts during the year	No. of borrowers	Nil									-	-	-	-	-	-	-	-	-	-			
		Amount outstanding										-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon										-	-	-	-	-	-	-	-	-	-	-	-	
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers	Nil									-	-	(1)	-	(1)	-	-	(1)	-	(1)			
		Amount outstanding										-	-	(615.67)	-	(615.67)	-	-	(615.67)	-	(615.67)			
		Provision Thereon										-	-	(382.55)	-	(382.55)	-	-	(382.55)	-	(382.55)			
8	Restructured accounts as on 31 <sup>st</sup> March, 2018	No. of borrowers	Nil									14	4	8	-	26	14	4	8	-	26			
		Amount outstanding										24,167.65	9,069.61	6,697.52	-	39,934.78	24,167.65	9,069.61	6,697.52	-	39,934.78			
		Provision Thereon										1,407.32	906.96	2,469.68	-	4,783.96	1,407.32	906.96	2,469.68	-	4,783.96			

16.	Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest / income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).
17.	<p>Disclosures as per Accounting Standard –15 :-</p> <p>A. Provident fund</p> <p>The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by Gol. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.</p> <p>B. Gratuity</p> <p>The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 20 lakh per employee.</p> <p>C. Pension</p> <p>The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.</p> <p>D. Post-Retirement Medical Scheme (PRMS)</p> <p>The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities as per Company rules. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.</p> <p>This scheme is managed by a separate trust. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.</p> <p>E. Terminal Benefits</p> <p>Terminal benefits include settlement in home town for employees &amp; their dependents.</p> <p>F. Leave</p> <p>The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.</p> <p>G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.</p> <p>H. The summarised position of various defined benefits recognized for the year 31.03.2018 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:</p>

## i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)
Interest cost on benefit obligation	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	- (-)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain) / loss recognised in the year	-10.76 (-0.21)	5.46 (2.87)	3.69 (2.44)
Expenses recognised in Statement of Profit & Loss Account*	1.75 ( 1.53)	6.67 (4.04)	10.08 (7.83)

\*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

## ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2018 (i)	26.02 (23.15)	27.81 (21.82)	22.12 (31.23)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	- (-)
Difference (ii) – (i)	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)
Net asset / (liability) recognized in the Balance Sheet	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)

## iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	23.16 (20.83)	21.82 (17.83)	31.23 (27.11)
Acquisition adjustment	- (-)	- (-)	- (0.01)
Interest cost	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Current service cost	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)
Benefits paid	-0.85 (-0.99)	-2.36 (-1.09)	-19.24 (-3.72)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain)/loss on obligation	-10.76 (-0.27)	5.69 (2.87)	3.69 (2.44)
Present value of the defined benefit obligation as at 31.03.2018	25.99 (23.15)	27.81 (21.82)	22.06 (31.23)

## iv) Changes in fair value of plan assets

Description	(₹ in crore)		
	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	- (-)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	- (-)
Contributions by employer	1.22 (0.47)	4.07 (17.93)	- (-)
Benefit paid	-0.82 (-0.98)	-1.71 (-0.83)	- (-)
Actuarial gain / (loss)	- (-0.06)	0.24 (0.04)	- (-)
Fair value of plan assets as at 31.03.2018	24.07 (21.74)	22.20 (18.15)	- (-)

## v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Particulars	(₹ in crore)	
	PRMS	Service and Interest Cost
Cost increase by 1%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.08 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

## I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (previous year ₹ 0.05 crore) allocated to subsidiary companies.

## J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

S. No.	Description	(₹ in crore)	
		As at 31.03.2018	As at 31.03.2017
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	<b>Total</b>	<b>23.55</b>	<b>21.12</b>

<sup>(1)</sup>As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
Future salary increase*	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

## (II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2018 are as follows:-

(₹ in crore)

S.No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	<b>Total</b>	<b>21.71</b>	<b>17.58</b>

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
Future salary increase*	6.00%

\*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

## L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.99	23.15	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.92)	(1.41)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

\*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	22.06	31.23	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)



(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

## 18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on CSR Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed by the Company during the year ended 31.03.2018. On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities during the year:

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	151.19	167.64
Carry forward from previous year	100.21	102.98
Gross amount required to be spent	251.40	270.62
Amount spent during the year	120.16	170.41
Unspent amount	131.24	100.21

(c) Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2017-18			FY 2016-17		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	-	-	-	0.10	-	0.10

(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
(iii)	Amount spent by Subsidiaries / JVs	1.92	0.06	1.98	2.29	0.01	2.30
	<b>Total (ii)</b>	<b>120.10</b>	<b>0.06</b>	<b>120.16</b>	<b>169.20</b>	<b>1.21</b>	<b>170.41</b>
	<b>Grand Total (i) and (ii)</b>			<b>120.16</b>			<b>170.41</b>

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Consolidated Other Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.21 (102.98)	1.91 (167.64)	1.92 (170.40)	100.20 (-)	- (100.22)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	1.79 (16.83)	0.84 (1.79)	1.79 (16.83)	- (-)	0.84 (1.79)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Consolidated Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

S. No.	Consolidated Significant Accounting Policy		Modifications	Impact on PBT [increase / (decrease)]
	No.	Title		
1.	C 2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	C 8.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in	(67.83)

			Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	
3.	C 9	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
<b>Total</b>				<b>(243.54)</b>
21.	Depreciation on assets is provided over the useful life of assets as mentioned below:			
	<b>S. No.</b>	<b>Category of Assets</b>	<b>Useful Life in Years</b>	<b>Residual value as a % of original Cost</b>
	1.	Building	60	5%
	2.	EDP Equipment		
	2A	Servers and networks	6	5%
	2B	End user devices i.e. desktops, laptops etc. <sup>(1)</sup>	3	5%
	3.	Office and other Equipment <sup>(1)</sup>	5	5%
	3A	Cell Phone <sup>(2)</sup>	2	5%
	4.	Furniture & Fixture <sup>(1)</sup>	10	5%
	5.	Vehicle (Car)	8	5%
	6.	Intangible Assets <sup>(3)</sup>	5	-
	7.	ESCO Projects <sup>(4)</sup>	Project period	-
	8.	Leasehold improvements <sup>(5)</sup>	Lease period	-
	<p><sup>(1)</sup> Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).</p> <p><sup>(2)</sup> Useful life has been taken by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (Joint Venture).</p> <p><sup>(3)</sup> In case of PFCCL (Company's Subsidiary) useful life taken as 3 years.</p> <p><sup>(4)</sup> As disclosed by EESL (Joint Venture).</p> <p><sup>(5)</sup> Useful life taken by EESL (Joint Venture) and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).</p> <p>Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than the life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.</p> <p>EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act, 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2018, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 91.37% of the consolidated net block of fixed assets (83.56% as on 31.03.2017).</p>			
22.	The Company has no outstanding liability towards Micro, Small and Medium enterprises (previous year ₹ 0.002 crore).			
23.	Leasehold land is not amortized, as it is a perpetual lease.			
24.	As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.			
25.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.			

26.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :																																									
	(₹ in crore)																																									
	<table border="1"> <thead> <tr> <th>Description</th> <th>As at 31.03.2018</th> <th>As at 31.03.2017</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td>19.06</td> <td>20.45</td> </tr> <tr> <td>(ii) Preliminary Expenses</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iii) Employee related provisions</td> <td>0.48</td> <td>0.45</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td>1.33</td> <td>(0.45)</td> </tr> <tr> <td>(ii) Lease income</td> <td>(66.64)</td> <td>(66.00)</td> </tr> <tr> <td>(iii) Amortization</td> <td>(0.31)</td> <td>(0.24)</td> </tr> <tr> <td>(iv) Unamortized Exchange Loss (Net)</td> <td>(135.61)</td> <td>(100.76)</td> </tr> <tr> <td>(v) Net MTM Receivable from bank against derivative</td> <td>(55.70)</td> <td>(101.00)</td> </tr> <tr> <td>(vi) Unamortise Exp on Borrowings</td> <td>(58.77)</td> <td>-</td> </tr> <tr> <td><b>Net Deferred Tax liabilities (-)/Assets (+)</b></td> <td><b>(296.16)</b></td> <td><b>(247.55)</b></td> </tr> </tbody> </table>	Description	As at 31.03.2018	As at 31.03.2017	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	19.06	20.45	(ii) Preliminary Expenses	-	-	(iii) Employee related provisions	0.48	0.45	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	1.33	(0.45)	(ii) Lease income	(66.64)	(66.00)	(iii) Amortization	(0.31)	(0.24)	(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)	(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)	(vi) Unamortise Exp on Borrowings	(58.77)	-	<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(296.16)</b>	<b>(247.55)</b>		
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<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(296.16)</b>	<b>(247.55)</b>																																								
27.	In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:																																									
	<table border="1"> <thead> <tr> <th>Description</th> <th>During year ended 31.03.2018</th> <th>During year ended 31.03.2017</th> </tr> </thead> <tbody> <tr> <td>Net Profit after tax used as numerator (₹ in crore)</td> <td>5,844.11</td> <td>2,236.10</td> </tr> <tr> <td>Weighted average number of equity shares used as denominator (basic)</td> <td>264,00,81,408</td> <td>264,00,81,408</td> </tr> <tr> <td>Diluted effect of outstanding Stock Options</td> <td>-</td> <td>-</td> </tr> <tr> <td>Weighted average number of equity shares used as denominator (diluted)</td> <td>264,00,81,408</td> <td>264,00,81,408</td> </tr> <tr> <td>Earning per equity share, face value ₹ 10 each (basic) (₹)</td> <td>22.14</td> <td>8.47</td> </tr> <tr> <td>Effect of outstanding Stock Options (₹)</td> <td>-</td> <td>-</td> </tr> <tr> <td>Earning per equity share, face value ₹ 10 each (diluted) (₹)</td> <td>22.14</td> <td>8.47</td> </tr> </tbody> </table>	Description	During year ended 31.03.2018	During year ended 31.03.2017	Net Profit after tax used as numerator (₹ in crore)	5,844.11	2,236.10	Weighted average number of equity shares used as denominator (basic)	264,00,81,408	264,00,81,408	Diluted effect of outstanding Stock Options	-	-	Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	264,00,81,408	Earning per equity share, face value ₹ 10 each (basic) (₹)	22.14	8.47	Effect of outstanding Stock Options (₹)	-	-	Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.14	8.47																	
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28.	A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:																																									
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Particulars	Year ended 31.03.2018			Year ended 31.03.2017																																						
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	<sup>(1)</sup> Declared by Board of Directors in their 367 <sup>th</sup> meeting held on 03.11.2017 and paid on 23.11.2017.																																									
	<sup>(2)</sup> Declared by Board of Directors in their 370 <sup>th</sup> meeting held on 26.02.2018 and paid on 19.03.2018.																																									
	B) Dividend payable to Non-Resident Shareholders																																									
	The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:																																									
	<table border="1"> <thead> <tr> <th rowspan="2">Description</th> <th colspan="2">First Interim Dividend</th> <th colspan="2">Second Interim Dividend</th> <th colspan="2">Final Dividend</th> </tr> <tr> <th>2017-18</th> <th>2016-17</th> <th>2017-18</th> <th>2016-17</th> <th>2017-18</th> <th>2016-17</th> </tr> </thead> <tbody> <tr> <td>Number of non-resident</td> <td>4,573</td> <td>3,343</td> <td>5,237</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> </tbody> </table>	Description	First Interim Dividend		Second Interim Dividend		Final Dividend		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	Number of non-resident	4,573	3,343	5,237	NA	NA	NA																					
Description	First Interim Dividend		Second Interim Dividend		Final Dividend																																					
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17																																				
Number of non-resident	4,573	3,343	5,237	NA	NA	NA																																				

	shareholders						
	Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
	Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA
29.	Other key financial parameters:						
	<b>Description</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>			
	Debt Equity Ratio	5.73		5.51			
	Net worth (₹ in crore)	40,201.74		36,844.93			
30.	Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:						
	<b>Items</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>			
(i)	Capital Fund - a. Tier I (₹ in crore)	36,887.71		33,837.70			
	- b. Tier II (₹ in crore)	6,479.79		6,373.62			
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,15,574.67		2,07,212.06			
(iii)	CRAR	20.12%		19.41%			
(iv)	CRAR – Tier I Capital	17.11%		16.33%			
(v)	CRAR – Tier II Capital	3.01%		3.08%			
		<b>During the year ended 31.03.2018</b>		<b>During the year ended 31.03.2017</b>			
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-		-			
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-		-			
31.	In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2018.						
32.	In respect of subsidiary companies, disclosures have been appropriately consolidated from their audited accounts and similarly in case of EESL (Joint Venture), from its unaudited accounts.						

33. **Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.**

**(A) Significant Accounting Policies**

Reference may be made to Consolidated Other Note - Part - B.

**(B) Capital**

Reference may be made to Consolidated Other Note Part C - 30 for CRAR.

**(C) Investments**

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	2,291.29	3,234.93
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	344.47	89.81
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	1,946.82	3,145.12
	(b) Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	89.91	96.26
	(ii) Add : Provisions made during the year	254.56	86.69
	(iii) Less : Write-off / write-back of excess provisions during the year		93.04
	(iv) Closing balance	344.47	89.91

**(D) Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	299.87
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- a. Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

- c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the Accounting Standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.
- d. Reference may be made to Note Part B – C 10 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Particular	As at 31.03.2018		As at 31.03.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	2.78	180.81	0.00	299.87
	b) Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	8,940.05	7,391.86	6,405.68	6,296.24

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2018 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30/31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits <sup>(1)</sup>	532.95	-	-	-	-	-	-	-	532.95
Advances <sup>(2)</sup>	4,494.07	688.44	3,905.59	7,918.51	12,704.58	42,811.88	47,806.05	159,026.60	279,355.71
Investments <sup>(3)</sup>	-	-	-	-	1,070.76	-	-	1,265.60	2,336.36
Borrowings <sup>(4)</sup>	1,275.80	2,805.00	7,345.70	12,457.70	13,325.06	69,867.71	37,178.05	67,628.47	211,883.49
Foreign Currency assets	-	-	-	-	-	-	-	240.96	240.96
Foreign Currency Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	18,260.08

<sup>(1)</sup> Fixed Deposit with Banks

<sup>(2)</sup> Rupee Loan Assets

<sup>(3)</sup> Net of provision

<sup>(4)</sup> Rupee Liabilities

**(G) Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2018	Amount as at 31.03.2017
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1485.14	1,428.78
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,700.47	2,772.39
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
<b>Total Exposure to Capital Market</b>		<b>4,191.76</b>	<b>4,207.32</b>

### III. Details of financing of parent company products:

Company does not have a parent company.

### IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2017-18 and FY 2016-17.

### V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2018 (Previous year Nil).

### (H) Registration obtained from other financial sector regulators:

Nil.

### (I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2018, no penalty has been imposed on the Company by RBI and other regulators (Previous year Nil).



**(J) Credit rating**

- a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+
4.	SMERA (of PFCGEL)	SMERA AAA (Stable Outlook)	

No rating migration has taken place during the year.

- b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2018:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Stable

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Consolidated Statement of Profit And Loss, Note Part A-18 and Consolidated other Note Part C-20 regarding Consolidated prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Reference may be made to consolidated Note Part C-16

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 2 and Part C – 2 .1 of Consolidated Notes to Accounts in this regard.****(N) Provisions and Contingencies**

(₹ In crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	344.47	(89.91)
Provision towards NPA	739.84	3,922.223
Provision for Standard Assets	780.71	(38.55)
Restructured Standard Assets	(950.53)	1,228.65
Provision made towards Income tax	2,465.16	3,121.24

**(O) Draw Down from Reserves**

Reference may be made to Note Part A – 2 Consolidated Reserves & Surplus.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

- a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

- b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.20%	62.44%

**c. Concentration of Exposures:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers / customers	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	53.80%	56.13%

**d. Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

**e. Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

**(Q) Movement of NPAs in respect of Loan Assets**

(₹ In crore)

Sl. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Net NPAs to Net Advances (%)	7.55%	10.55
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	30,702.21	7,519.04
(b)	Additions during the year	15,503.46	24,573.14
(c)	Reductions during the year	19,477.53	1,389.97
(d)	Closing balance	26,728.14	30,702.21
(iii)	Movement of Net NPAs		
(a)	Opening balance	25,345.96	6,061.02
(b)	Additions during the year	12,474.88	20,536.64
(c)	Reductions during the year	17,197.85	1,251.70
(d)	Closing balance	20,622.99	25,345.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	5,356.25	1458.02
(b)	Provisions made during the year	3,028.57	4,036.50
(c)	Write-off / write-back of excess provisions	2,279.67	138.27
(d)	Closing balance	6,105.15	5,356.25

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.**

**(S) Reference may be made to Consolidated Other Note Part C – 2.1 for list of Off-balance Sheet SPVs sponsored by the Company.**

**(T) Customer Complaints for FY 2017-18**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

34. As prescribed by Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as they are applicable)

(₹ in Crore)

Particulars		Amount as on 31.03.2018		Amount as on 31.03.2017			
Liabilities Side		outstanding	overdue	outstanding	overdue		
<b>(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>							
(a)	Debentures : Secured	20,401.58	0.00	20,109.87	0.00		
	: Unsecured	176,033.95	0.00	170,800.80	0.00		
(b)	(i) Rupee Term Loans	10,525.00	0.00	2,000.00	0.00		
	(ii) Foreign Currency Loans	15,653.08	0.00	7,276.58	0.00		
(c)	Commercial Paper	6,924.74	0.00	-	0.00		
(d)	Short Term Borrowings	-	0.00	2,400.79	0.00		
<b>Assets Side</b>		<b>Principal Amount Outstanding as on 31.03.2018</b>		<b>Principal Amount Outstanding as on 31.03.2017</b>			
<b>(2) Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>							
(a)	Secured		184,084.34		168,881.39		
(b)	Unsecured		89,321.80		71,786.70		
<b>(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>							
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease		174.89		194.32		
<b>(4) Break-up of Investments (Net of Provisions)</b>							
<b>Current Investments</b>							
1. Quoted							
(i)	Shares						
	(a) Equity		1,070.76		1,071.02		
2. Unquoted							
(i)	Shares						
	(a) Equity		-		254.51		
<b>Long Term Investments</b>							
1. Quoted							
(i)	Shares						
	(a) Equity		12.00		12.00		
(ii)	Debentures and Bonds		800.00		1,800.00		
2. Unquoted							
(i)	Shares						
	(a) Equity		147.45		147.45		
	(b) Preference		-		-		
(ii)	Units of SIB Fund		6.15		6.15		
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above:</b> (as per applicable provisioning norms)							
Category		Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 31.03.2017)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties							
(a)	Subsidiaries	0.00	289.22	289.22	0.00	243.49	243.49
(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
2. Other than related parties		184,259.20	89,032.09	273,291.29	169,075.67	71,542.75	240,618.42
<b>Total</b>		<b>184,259.23</b>	<b>89,321.80</b>	<b>273,581.03</b>	<b>169,075.71</b>	<b>71,786.70</b>	<b>240,862.41</b>
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>							
Category		As on 31.03.2018		As on 31.03.2017			
		Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)	Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)		
1. Related Parties							
(a)	Subsidiaries	201.82	0.95	255.19	0.95		
(b)	Companies in the same group	166.78	146.50	177.89	146.50		
2. Other than related parties							
(i)	Quoted	2,030.92	1,882.76	3,170.10	2,883.02		
(ii)	Unquoted	342.70	6.15	331.47	260.66		
<b>Total</b>		<b>2,742.22</b>	<b>2,036.36</b>	<b>3,934.65</b>	<b>3,291.13</b>		
<b>(7) Other information</b>							
Particulars		Amount (as on 31.03.2018)		Amount (as on 31.03.2017)			
(i) Gross Non-performing Assets							
(a)	Other than related parties		26,730.65		30,718.61		
(ii) Net Non-performing Assets							
(a)	Other than related parties		20,622.99		25,345.95		
(iii) Assets acquired in satisfaction of debt			341.10		341.10		

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

35.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
36.	Figures have been rounded off to the nearest crore of rupees with two decimals.
37.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

## Consolidated Other Notes on Accounts

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entity<sup>(iv)</sup> as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2017	31.03.2016	01.04.2016 – 31.03.2017
Subsidiary Companies:				
PFC Consulting Limited (PFCL) <sup>(i)</sup>	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL) <sup>(ii)</sup>	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS) <sup>(i)</sup>	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP) <sup>(iii)</sup>	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL) <sup>(iv)</sup>	India	-	16.66%	-
Energy Efficiency Services Limited (EESL) <sup>(v)</sup>	India	31.71%	28.79%	Unaudited

<sup>(i)</sup> Subsequent to decision by the Board of Directors of the Company and Board of Directors of respective subsidiaries, merger of PFCCAS with PFCL is under progress.

<sup>(ii)</sup> The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9<sup>th</sup> August 2016 which is under progress.

<sup>(iii)</sup> Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

<sup>(iv)</sup> Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹ 1.21 crore in July 2016, as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹ 1.06 crore has been reversed and loss on disposal of investments of ₹ 0.98 crore has been recognized. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2017	31.03.2016	31.03.2017	31.03.2016
Subsidiary Companies:						
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05

(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	100%	0.05	0.05
	<b>Total</b>				<b>0.75</b>	<b>0.75</b>

\* MoP vide its OM dated 21st June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 8 subsidiary companies (out of 13 wholly owned subsidiaries of PFCL, 5 were transferred to successful bidders during FY 2016-17) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Subsidiary Companies:						
1.	Warora-Kurnool Transmission Limited <sup>(i)</sup>	20.04.2015	06.07.2016	-	100%	-	0.05
2.	Gurgaon-Palwal Transmission Limited <sup>(i)</sup>	26.10.2015	14.07.2016	-	100%	-	0.01
3.	Kohima-Mariani Transmission Limited <sup>(i)</sup>	22.01.2016	31.03.2017	-	100%	-	0.01
4.	Medinipur-Jeerat Transmission Limited <sup>(i)</sup>	22.01.2016	28.03.2017	-	100%	-	0.01
5.	Odisha Generation Phase-II Transmission Limited <sup>(i)</sup>	17.04.2015	08.04.2016	-	100%	-	0.05
6.	Fatehgarh-Bhadla Transmission Limited <sup>(ii)</sup>	31.01.2017	--	100%	-	0.01	-
7.	Bijawar-Vidharbha Transmission Limited <sup>(ii)</sup>	21.02.2017	--	100%	-	0.01	-
8.	Shongtong Karcham-Wangtoo Transmission Limited <sup>(ii)</sup>	21.02.2017	--	100%	-	0.01	-
9.	Goa- Tamnar Transmission Limited <sup>(ii)</sup>	21.02.2017	--	100%	-	0.01	-
10.	Tanda Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
11.	Ballabgarh-GN Transmission Company Limited <sup>(iii)</sup>	21.10.2013	--	100%	100%	0.05	0.05
12.	Mohindergarh-Bhiwani Transmission Limited <sup>(iii)</sup>	23.12.2014	--	100%	100%	0.05	0.05
13.	South-Central East Delhi	18.02.2015		100%	100%	0.05	0.05

	Power Transmission Limited <sup>(iii)</sup>		--																								
	<b>Total</b>					<b>0.24</b>	<b>0.33</b>																				
	<p>(i) Transferred to successful bidder(s) on completion of the bidding process:  (ii) Incorporated as wholly owned subsidiary of PFCCCL during FY 2016-17.  (iii) Under process of winding up.</p>																										
2.2	The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.																										
3.	<p>Contingent Liabilities and Commitments:</p> <p>3.1 Contingent Liabilities</p> <p>(A) Guarantees etc.</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Description</th> <th>As at 31.03.2017</th> <th>As at 31.03.2016</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Guarantees issued in domestic currency</td> <td>190.38</td> <td>226.75</td> </tr> <tr> <td>(ii)</td> <td>Claims against the Company not acknowledged as debts</td> <td>11.74</td> <td>-</td> </tr> <tr> <td>(iii)</td> <td>Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned</td> <td>1,640.56</td> <td>446.22</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>1,842.68</b></td> <td><b>672.97</b></td> </tr> </tbody> </table> <p>(B) Income Tax Demands</p> <p>Additional demands raised by and paid to the Income Tax Department totaling to ₹ 40.53 crore (Previous year ₹ 45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.</p> <p>(C) Service Tax Demands</p> <p>Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹ 23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&amp;ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.</p> <p>3.2 Other Commitments</p> <p>Estimated amount of contract remaining to be executed on account of capital account, not provided for, is ₹ 103.95 crore (Previous year ₹ 84.23 crore).</p>							S. No	Description	As at 31.03.2017	As at 31.03.2016	(i)	Guarantees issued in domestic currency	190.38	226.75	(ii)	Claims against the Company not acknowledged as debts	11.74	-	(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,640.56	446.22		<b>Total</b>	<b>1,842.68</b>	<b>672.97</b>
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4.	<p>Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Description</th> <th>Year ended 31.03.2017</th> <th>Year ended 31.03.2016</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Opening Balance</td> <td>95.39<sup>§</sup></td> <td>78.50</td> </tr> <tr> <td>2.</td> <td>Addition during the year</td> <td>23.90</td> <td>17.65</td> </tr> <tr> <td>3.</td> <td>Reversal during the year</td> <td>(0.90)</td> <td>(0.76)</td> </tr> <tr> <td>4.</td> <td>Closing Balance</td> <td>118.39*</td> <td>95.39<sup>§</sup></td> </tr> </tbody> </table> <p>* Pertaining to Assessment Year 2001-02 to 2014-15.  § Pertaining to Assessment Year 2001-02 to 2013-14.</p>							S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016	1.	Opening Balance	95.39 <sup>§</sup>	78.50	2.	Addition during the year	23.90	17.65	3.	Reversal during the year	(0.90)	(0.76)	4.	Closing Balance	118.39*	95.39 <sup>§</sup>
S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016																								
1.	Opening Balance	95.39 <sup>§</sup>	78.50																								
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3.	Reversal during the year	(0.90)	(0.76)																								
4.	Closing Balance	118.39*	95.39 <sup>§</sup>																								

5. A. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.
- B. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.
- As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	0.67	0.30
(iv)	Training Expenses	0.29	0.26
<b>B.</b>	<b>Earning in foreign currency</b>	1.27	-

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
<b>Total</b>		<b>6,405.68</b>		<b>10,070.22</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 291.83 crore (Previous year USD / JPY leg USD 105 million / ₹ 701.09 crore).

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 647.56 crore (Previous year debit balance ₹ 739.74 crore).

- D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

- E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the 'Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-11 but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions



mentioned in the Guidance Note, an amount of ₹ 74.35 crore (net of Deferred Tax Liability of ₹ 39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹ 178.15 crore.

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
<b>Power Finance Corporation Limited</b>	
Shri Rajeev Sharma, CMD and CEO <sup>(i)</sup>	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO <sup>(ii)</sup>	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO <sup>(iii)</sup>	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects) <sup>(iv)</sup>	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects) <sup>(v)</sup>	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial) <sup>(vi)</sup>	With effect from 16.11.2015
Shri Manohar Balwani, CS <sup>(vii)</sup>	With effect from 01.04.2014
<b>Subsidiary Companies</b>	
Shri C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013 till 05.07.2016.
Shri PP Srivastava, CEO, PFCCL	With effect from 06.07.2016 till 31.08.2016.
Shri Subir Mulchandani, CEO, PFCCL	With effect from 01.09.2016
Shri. Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Shri. Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Shri Arunava Chakravati, Director (PECAP)	With effect from 11.10.2011 till 23.09.2016
Shri Avkash Saxena, Director (PECAP)	With effect from 23.09.2016.
<b>Joint Venture Entities</b>	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015 to 21.10.2016
Shri Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016 to 26.12.2016
Shri S N Gaikwad, Director (Projects)	with effect from 05.02.2016 to 03.11.2016

<sup>(i)</sup>Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

<sup>(ii)</sup>Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013 till 30.09.2016.

<sup>(iii)</sup> Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011)also

<sup>(iv)</sup> Director in PFCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009) and Additional Director in PFCCAS (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

<sup>(v)</sup> Director in PFCCL (w.e.f 23.09.2013 till 31.12.2016), PFCCAS (w.e.f. 19.09.2013 till 24.01.2017) and PFCGEL (w.e.f 03.08.2012 till 31.12.2016).

<sup>(vi)</sup> Director in PFCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCAS (w.e.f 30.03.2016)

<sup>(vii)</sup> Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹ 3.86 crore (Previous year ₹ 3.44 crore). Loans & Advances given to KMP is ₹ 0.51 crore (Previous year ₹ 0.47 crore) as on 31.03.2017.

## 8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017*	As at 31.03.2016*	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
Cheyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
Subsidiaries of PFCCCL	2.79	3.68	3.68	5.44
<b>Total</b>	<b>398.41</b>	<b>317.02</b>	<b>400.96</b>	<b>362.43</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017	As at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.71
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
Deoghar Mega Power Limited	14.02	0.00	14.02	0.00
<b>Total</b>	<b>441.32</b>	<b>381.13</b>	<b>441.32</b>	<b>381.12</b>

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).

9.	<p>A. Major Investments made during the year:</p> <p>i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹ 10/- per share under Offer for Sale by Gol. The shares have been subscribed at a cost of ₹ 21.78/- per share including brokerage and other statutory charges aggregating to ₹ 567.50 crore.</p> <p>B. Conversion of Debt into Equity:</p> <p>i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹ 10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹ 1/-.</p> <p>Further, 6,61,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹ 66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹ 46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹ 1.</p> <p>As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.</p> <p>ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹ 81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹ 20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.</p>																																										
10.	<p>Interest Differential Fund (IDF) – KFW</p> <p>The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹ 63.88 crore (Previous year ₹ 60.71 crore), after transferring exchange difference of ₹ 12.56 crore (Previous year ₹ 13.48 crore).</p>																																										
11.	<p>As required under AS-19, disclosure with respect to various leases are given below:</p> <p>(A) <u>Asset under finance lease after 01.04.2001:</u></p> <p>(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1" data-bbox="207 1360 1544 1948"> <thead> <tr> <th>Description</th> <th>As at 31.03.2017</th> <th>As at 31.03.2016</th> </tr> </thead> <tbody> <tr> <td>Total of future minimum lease payments recoverable (Gross Investments)</td> <td>335.79</td> <td>364.78</td> </tr> <tr> <td>Present value of lease payments recoverable</td> <td>194.32</td> <td>204.09</td> </tr> <tr> <td><b>Unearned finance income</b></td> <td><b>141.47</b></td> <td><b>160.69</b></td> </tr> <tr> <td>Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-</td> <td></td> <td></td> </tr> <tr> <td>Not later than one year</td> <td>27.11</td> <td>27.11</td> </tr> <tr> <td>Later than one year and not later than 5 years</td> <td>107.10</td> <td>107.54</td> </tr> <tr> <td>Later than five years</td> <td>201.58</td> <td>230.13</td> </tr> <tr> <td><b>Total</b></td> <td><b>335.79</b></td> <td><b>364.78</b></td> </tr> <tr> <td>Break up of present value of lease payments recoverable:-</td> <td></td> <td></td> </tr> <tr> <td>Not later than one year</td> <td>8.62</td> <td>7.89</td> </tr> <tr> <td>Later than one year and not later than 5 years</td> <td>43.17</td> <td>39.52</td> </tr> <tr> <td>Later than five years</td> <td>142.53</td> <td>156.68</td> </tr> <tr> <td><b>Total</b></td> <td><b>194.32</b></td> <td><b>204.09</b></td> </tr> </tbody> </table>	Description	As at 31.03.2017	As at 31.03.2016	Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78	Present value of lease payments recoverable	194.32	204.09	<b>Unearned finance income</b>	<b>141.47</b>	<b>160.69</b>	Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-			Not later than one year	27.11	27.11	Later than one year and not later than 5 years	107.10	107.54	Later than five years	201.58	230.13	<b>Total</b>	<b>335.79</b>	<b>364.78</b>	Break up of present value of lease payments recoverable:-			Not later than one year	8.62	7.89	Later than one year and not later than 5 years	43.17	39.52	Later than five years	142.53	156.68	<b>Total</b>	<b>194.32</b>	<b>204.09</b>
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- (ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.89 crore as on 31.03.2017 (Previous year ₹ 1.33 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.45 crore as on 31.03.2017 (Previous year ₹ 3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 3.74 crore as on 31.03.2017 (Previous year ₹ 4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2017 (Previous year ₹ 355.30 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable (non-cancellable in case of one of Company's joint venture EESL and one of Company's subsidiary PFCCCL). Rent for residential accommodation of employees include ₹ 6.10 crore (Previous year ₹ 5.28 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 4.99 crore (Previous year ₹ 1.00 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

	(₹ in crore)	
Future minimum lease rent payments	Year ended 31.03.2017	Year ended 31.03.2016
Not later than one year	8.49	3.69
Later than one year and not later than 5 years	5.31	3.11
Later than 5 years	5.74	4.03
<b>Total</b>	<b>19.54</b>	<b>10.83</b>

12. Implementation of Gol Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

- (i) The Company claimed subsidy from Gol at net present value calculated at indicative interest rates in accordance with Gol's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 8.67 crore and ₹ 93.56 crore as on 31.03.2017 (Previous year ₹ 7.80 crore and ₹ 87.47 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	107.47	111.35
Add : Received during the period	-	-
: Interest credited during the period	9.06	8.87
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	6.84	12.75
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>109.69</b>	<b>107.47</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	667.82	1349.56	667.82	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1349.56)	(667.82)	-	-
<b>Closing Balance (A)</b>	<b>9,222.23</b>	<b>8,230.45</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>		-	NA			-
<b>C. Interest on loan under R-APDRP</b>		-			NA	
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				
Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+)Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>3,006.70</b>	<b>2,278.88</b>				
<b>D. Accumulated Moratorium Interest</b>					NA	
Opening Balance	999.68	38.85				
(+)Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
<b>Closing Balance (D)</b>	<b>487.48</b>	<b>999.68</b>				

<b>E. Interest on Accumulated Moratorium Interest</b>			NA		
(i) Accrued but not due					
Opening Balance	7.26	0.15			
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99			
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)			
Closing Balance (i)	2.10	7.26			
(ii) Accrued and due					
Opening Balance	55.22	1.18			
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92			
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)			
Closing Balance (ii)	24.33	55.22			
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>26.43</b>	<b>62.48</b>			
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>			NA		
(i) Interest on Interest					
Opening Balance	4.63	0.05			
Additions During the period	14.86	4.64			
Recoveries / refunds / changes during the period	(16.31)	(0.06)			
Closing Balance (i)	3.18	4.63			
(ii) Interest on " Interest on Accumulated Moratorium Interest"					
Opening Balance	1.80	0.02			
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80			
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)			
Closing Balance (ii)	1.38	1.80			
(iii) Penal Interest					
Opening Balance	5.18	0.05			
Additions During the period	7.65	5.21			
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)			
Closing Balance (iii)	1.80	5.18			
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>6.36</b>	<b>11.61</b>			
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>12,749.20</b>	<b>11,583.10</b>			

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalizing the R-APDRP is reimbursable by MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

Description	Year ended 31.03.2017	Year ended 31.03.2016	Accumulated up-to year ended (₹ in crore)	
			31.03.2017	31.03.2016
Nodal agency fee <sup>(1)</sup>	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
<b>Total</b>	<b>24.98</b>	<b>23.65</b>	<b>280.72</b>	<b>255.74</b>

<sup>(1)</sup>Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
- iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
- iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
<b>Closing Balance</b>	<b>2,561.01</b>	<b>358.70</b>	-	-	-	-

13 Government of India Fully Serviced Bonds

For meeting GOI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹ 5,000 crore through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

14 A. Asset classification and Provisioning:

(i) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:

1. Assets classification norms in line with RBI's letter dated 03.10.2016:

a) loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-



Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more,

b) NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and

c) NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months.

## 2. Restructuring Norms:

(i) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans.

Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018.

(ii) As regard implementation of RBI restructuring norms (shifting from MoP, Gol approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022.

(ii) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, Gol approved restructuring norms were applicable).

b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A (b) (i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning.

## B. Credit Concentration Norms

For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

15. Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, Gol approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues and as on 31.03.2017:

a) Company has categorised standard assets amounting to ₹ 35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,403.79 crore.

b) Company has classified two loan assets as NPA having amount outstanding of ₹ 8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 163.71 crore has been reversed and additional provision of ₹ 799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 963.16 crore.

c) Company has classified three loan assets as NPA having amount outstanding of ₹ 4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 103.04 crore has been reversed and additional provision of ₹ 401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 504.22 crore.



d) Company has classified one loan asset as NPA having amount outstanding of ₹ 5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹ 142.03 crore has been reversed and additional provision of ₹ 333.14 crore has been made on this loan.

Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹ 118.59 crore has been reversed and additional provision of ₹ 489.62 crore has been made on such other loans having amount outstanding of ₹ 5,073.73 crore as on 31.03.2017.

Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,083.38 crore.

The profit before tax for the year has decreased by ₹ 3,954.55 crore on account of para a to d above.

16. Loan Assets, Other assets, Trade Receivables and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	159,726.85	(38.55)	559.93	199,483.49	111.68	598.48
(ii)	Restructured Standard Assets <sup>(1)</sup>	55,473.12	1,228.65	2,357.85	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56 <sup>(2)</sup>	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.26	2,393.15	327.48	721.99
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
<b>(B) Other Assets, Trade Receivables and provision thereon</b>							
(i)	Other Assets	17.29	16.26	17.27	1.17	0.04	1.01
(ii)	Trade Receivables <sup>(3)</sup>	7.74	7.74	7.74	-	-	-
	<b>Grand Total</b>	<b>2,45,927.21</b>	<b>5,112.33</b>	<b>8,299.05</b>	<b>2,39,266.68</b>	<b>1,610.16</b>	<b>3,186.72</b>

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹ 19,445.92 crore in private sector and ₹ 36,027.19 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector).

<sup>(2)</sup> Includes loans amounting to ₹ 23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

<sup>(3)</sup> Pertains to PFCL (One of Company's Subsidiary).

17. Basis of secured / un-secured categorization of loan assets:

a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.

b) In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.

18. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S.N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification	Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured	No. of															

	accounts as on April,01 2016	borrowers	Nil	15	3	4	-	22	15	3	4	-	22	
		Amount outstanding (Restructured facility)		32,262.98	3,111.05	1,414.67	-	36,788.70	32,262.98	3,111.05	1,414.67	-	36,788.70	
		Amount outstanding (Other facility)		-	-	232.11	-	232.11	-	-	232.11	-	232.11	
		Provision Thereon		1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88	
	2	Movement of balance in account appearing in opening balance (including Pre-payment of loan)	No. of borrowers	Nil	2	-	2	-	4	2	-	2	-	4
			Amount outstanding (Restructured facility)		(1,867.82)	-	(63.58)	-	(1,931.40)	(1,867.82)	-	(63.58)	-	(1,931.40)
			Amount outstanding (Other facility)		-	-	73.99	-	73.99	-	-	73.99	-	73.99
			Provision Thereon		(65.37)	-	362.53	-	297.15	(65.37)	-	362.53	-	297.15
	3	Categorised as restructured during the year	No. of borrowers	Nil	12	-	-	-	12	12	-	-	-	12
			Amount outstanding (Restructured facility)		36,478.10	-	-	-	36,478.10	36,478.10	-	-	-	36,478.10
			Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
			Provision Thereon		1,550.56	-	-	-	1,550.56	1,550.56	-	-	-	1,550.56
	4	Up gradations to restructured standard category during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
			Provision Thereon		-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil	(2)	-	-	-	(2)	(2)	-	-	-	(2)	
		Amount outstanding (Restructured facility)		(2,857.41)	-	-	-	(2,857.41)	(2,857.41)	-	-	-	(2,857.41)	
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	
		Provision Thereon		(100.01)	-	-	-	(100.01)	(100.01)	-	-	-	(100.01)	
6	Down gradation of restructured accounts during the year	No. of borrowers	Nil	(1)	(2)	3	-	-	(1)	(2)	3	-	-	
		Amount outstanding (Restructured facility)		(8,542.74)	4,779.09	3,111.05	-	-	(8,542.74)	4,779.09	3,111.05	-	-	
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		(299.00)	477.91	745.56	-	989.73	(299.00)	477.91	745.56	-	989.73	
7	Write-offs restructured accounts during the	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding		-	-	-	-	-	-	-	-	-	-	

	year	(Restructured facility)												
		Amount outstanding (Other facility)												
		Provision Thereon												
8	Restructured accounts as on March 31, 2017	No. of borrowers	22	1	7	-	30	22	1	7	-	30		
		Amount outstanding (Restructured facility)	55,473.11	7,890.14	4,462.14	-	68,477.99	55,473.11	7,890.14	4,462.14	-	68,477.99		
		Amount outstanding (Other facility)	-		306.10	-	306.10	-		306.10	-	306.10		
		Provision Thereon	2,357.85	789.02	1,662.61	-	4,874.74	2,357.85	789.02	1,662.61	-	4,874.74		

19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.
- The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made till the date of reclassification was reversed during the previous year.
- The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.
- On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.
- Subsequent to reclassification of the said account in the previous year,
- (i) interest / income of ₹ 413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;
- (ii) provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹ 163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹ 148.82 crore);
- (iii) provision treating the account as doubtful, on the loan balance of ₹ 4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹ 4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹ 815.50 crore (previous year ₹ 276.37 crore).
20. Disclosures as per Accounting Standard –15 :-
- A. Provident fund
- The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by Gol. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.
- B. Gratuity
- The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.
- C. Pension
- The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed

on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the F.Y. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹ 17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.91 (1.55)	0.78 (0.62)	3.22 (2.34)
Interest cost on benefit obligation	1.67 (1.55)	1.43 (1.17)	2.17 (1.87)
Expected return on plan assets	-1.84 (-1.72)	-1.01 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.21 (-1.09)	2.87 (2.36)	2.44 (2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.53 (0.29)	4.04 (4.15)	7.83 (6.39)

\*During the year, the expenses include ₹ 0.09 crore (previous year ₹ 0.03 crore), ₹ 0.43 crore (previous year ₹ 0.55 crore) and ₹ 0.29 crore (previous year ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	23.15 (20.83)	21.82 (17.83)	31.23 (27.11)
Fair value of plan assets as at 31.03.2017 (ii)	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

Difference (ii) – (i)	-1.41 (-0.36)	-3.67 (-17.83)	-31.23 (-27.11)
Net asset / (liability) recognized in the Balance Sheet	-1.41 (-0.36)	-3.67 (-17.83)	-31.23 (-27.11)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.83 (19.36)	17.83 (14.58)	27.11 (23.42)
Acquisition adjustment	0.00 (0.00)	0.00 (0.00)	0.01 (0.00)
Interest cost	1.67 (1.55)	1.43 (1.17)	2.17 (1.87)
Current service cost	1.91 (1.55)	0.78 (0.62)	3.22 (2.34)
Benefits paid	-0.99 (-0.63)	-1.09 (-0.90)	-3.72 (-2.93)
Net actuarial (gain)/loss on obligation	-0.27 (-1.09)	2.87 (2.36)	2.44 (2.18)
Present value of the defined benefit obligation as at 31.03.2017	23.15 (20.83)	21.82 (17.83)	31.23 (27.11)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47 (19.14)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.84 (1.72)	1.01 (0.00)	0.00 (0.00)
Contributions by employer	0.47 (0.21)	17.93 (0.00)	0.00 (0.00)
Benefit paid	-0.98 (-0.63)	-0.83 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	-0.06 (0.02)	0.04 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)

Particulars	PRMS	Service and Interest Cost
Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

vi) During the year, Company has provided liability of ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil (Previous year ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore (Previous year ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.21 crore (Previous year ₹ 0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.59 crore (Previous year ₹ 0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (Previous year ₹ 0.06 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹ in crore)			
S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures <sup>(1)</sup>	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	<b>Total</b>	<b>21.12</b>	<b>19.97</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method (For the Company) Gratuity	For EESL (one of the JVs of the Company) For Gratuity & Leave Encashment
Discount rate	7.50%	7.35%
Expected rate of return on assets	7.50%	0.00%
Future salary increase*	6.00%	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

(₹ in crore)			
S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.0	0.00
ii)	Corporate bonds / debentures <sup>1</sup>	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	<b>Total</b>	<b>17.58</b>	<b>0.00</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

<sup>1</sup>Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)					
Gratuity*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	23.15	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.41)	(0.27)	(0.21)	(0.86)	(1.48)

Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

\*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹ 1.16 crore (Previous year 0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.79 crore (Previous year ₹ 1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹ 4.97 crore (Previous year 2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	31.23	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ in crore)

LSA	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ in crore)

ERS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ in crore)

Baggage Allowance	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	17.83 (14.58)	4.04 (4.15)	18.09 (0.90)	0.00 (-)	3.78 (17.83)
Pay revision	- (-)	9.94 (-)	- (-)	- (-)	9.94 (-)

Gratuity	0.21 (0.08)	1.53 (0.35)	0.33 (0.22)	- (-)	1.41 (0.21)
Provision for superannuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	27.09 (23.56)	7.84 (6.46)	3.70 (2.93)	- (-)	31.23 (27.09)
Economic Rehabilitation Scheme for employee	1.50 (1.24)	0.21 (0.33)	0.08 (0.07)	0.00 (-)	1.63 (1.50)
Bonus / Incentives	11.14 (12.45)	5.91 (10.49)	10.49 (10.91)	-0.07 (-0.89)	6.63 (11.14)
Baggage Allowances	0.11 (0.10)	0.02 (0.01)	0.00 (0.00)	0.00 (-)	0.13 (0.11)
Service Award	4.74 (4.49)	0.59 (0.48)	0.34 (0.23)	0.00 (-)	4.99 (4.74)
Provision on loan assets etc. <sup>(1)</sup>	3,186.72 (1,576.56)	5,112.33 (1,610.16)	- (0.00)	- (-)	8,299.05 (3,186.72)
Provision for diminution in value of investment	97.32 (1.06)	86.69 (96.26)	- (0.00)	94.10 (-)	89.91 (97.32)
Provision for Doubtful Debts	0.00 (0.00)	8.61 (0.00)	0.00 (0.00)	0.00 (0.00)	8.61 (0.00)
CSR	102.98 (114.46)	167.64 (146.81)	170.40 (158.29)	- (-)	100.22 (102.98)
Income Tax	7,530.75 (6,222.89)	3,122.40 (2,857.89)	2,101.24 (1,550.52)	-0.03 (0.49)	8,551.89 (7,530.75)
Proposed Final Dividend	79.20 (79.20)	0.00 (79.20)	79.20 (79.20)	0.00 (-)	0.00 (79.20)
Proposed Corporate Dividend Tax	16.12 (16.12)	0.00 (16.12)	16.12 (16.12)	0.00 (-)	0.00 (16.12)
Interim Dividend	- (-)	1,320.04 (1,755.66)	- (1,755.66)	- (-)	1,320.04 (-)
Corporate Dividend Tax on Interim dividend	-	268.73 (356.74)	201.55 (356.74)	- (-)	67.18 (-)

<sup>(1)</sup>As detailed at Note Part – C 16.

22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	167.64	146.81
Carry forward from previous year	102.98	114.46
Gross amount required to be spent	270.62	261.27

(b) Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2016-17			FY 2015-16		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06



(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iie)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
(iii)	Amount spent by Subsidiaries / JVs	2.29	0.01	2.30	0.36	-	0.36
	<b>Total (ii)</b>	<b>169.20</b>	<b>1.21</b>	<b>170.41</b>	<b>157.53</b>	<b>0.76</b>	<b>158.29</b>
	<b>Grand Total (i) and (ii)</b>			<b>170.41</b>			<b>158.29</b>

- c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).
- d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.
- e) During the year ended 31.03.2017, an amount of ₹ 121.53 crore (Previous year ₹ 192.90 crore) has been disbursed against CSR activities.

23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

(₹ in crore)

S. No.	Significant Accounting Policy		Modifications	Impact on PBT [(+) increase / (-) decrease]
	No.	Title		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms <sup>1</sup> as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms. <sup>1</sup>	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms. <sup>1</sup>	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms. <sup>1</sup>	Nil
5.	2.7	Prior period expenses / Income <sup>4</sup>	Portion related to Prior period expenses / Income deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	Nil
6.	6.1	Quoted Current Investments	Modified to align with the RBI prudential norms <sup>1</sup> requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	6.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms. <sup>1</sup>	(46.27)
8.	6.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	7.1 & 7.4	Asset Classification	7.1.2 (i) Modified to align with the RBI prudential norms. <sup>1</sup>	Nil

			7.1.2 (ii) & 7.4 Modified to align with RBI Restructuring Norms / Directions <sup>3</sup>	(2,550.76)
10.	7.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms <sup>1</sup> resulting in – i) additional pro-rata provision on standard assets ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	(79.69) 707.80
11.	7.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹ 1,403.79 crore as explained at Note Part C-15 (a). <sup>3</sup>	(1549.64)
13.	7.6 <sup>(5)</sup>	Provisioning of Doubtful Debts and Advances	Modified to include basis of provision.	(8.61)
12.	9	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f 01.04.2016. <sup>2</sup>	178.15
<b>Total</b>				<b>(3,256.95)</b>

<sup>(1)</sup> W.e.f. 01.04.2016, Company has adopted RBI Prudential norms (Refer Note Part C-14).

<sup>(2)</sup> Reference may be made to Note Part-C 5(E) for impact on opening reserves.

<sup>(3)</sup> Reference may be made to Note Part-C-15.

<sup>(4)</sup> Deleted by PFCGEL (one of Company's Subsidiary) as well.

<sup>(5)</sup> Pertains to PFCCL (one of Company's Subsidiary).

Besides above, PFCGEL reworded accounting policies of Basis for Preparation of Financial Statements, Recognition of Income, Tangible assets / Depreciation and Employee Benefits to bring in more clarity having nil financial impact. Further, PFCCAS changed its accounting policy on depreciation / amortisation by reducing useful life of cellphone from 5 years to 2 years having a financial impact of ₹ 1,768.

24. A. Depreciation on assets is provided over the useful lives of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc. <sup>(1)</sup>	3	5%
3.	Office and other Equipment <sup>(1)</sup>	5	5%
3A	Cell Phone <sup>(2)</sup>	2	5%
4.	Furniture & Fixture <sup>(1)</sup>	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects <sup>(3)</sup>	Project Period	-
8.	Leasehold improvements <sup>(4)</sup>	Lease Period	-

<sup>(1)</sup> Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

<sup>(2)</sup> Useful life has been taken by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

<sup>(3)</sup> As disclosed by EESL.

<sup>(4)</sup> Useful life taken by EESL and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

	B. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2017, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 83.56% of the consolidated net block of fixed assets (73.66% as on 31.03.2016).																																				
25.	The Company has no outstanding liability towards Micro, Small and Medium enterprises except one of the subsidiary, PFCCL where principal amount due is ₹ 0.002 crore (as on 31.03.2016 ₹ 0.001 crore).																																				
26.	Leasehold land is not amortized, as it is a perpetual lease.																																				
27.	As required under Section 125 of the Companies Act, 2013, ₹ 4.58 crore, (Previous Year ₹ 0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹ 2.03 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.																																				
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹ 1,482.46 crore is awaited.																																				
29.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below : (₹ in crore)																																				
	<table border="1"> <thead> <tr> <th>Description</th> <th>As at 31.03.2017</th> <th>As at 31.03.2016</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td>20.45</td> <td>18.84</td> </tr> <tr> <td>(ii) Preliminary Expenses</td> <td>-</td> <td>0.16</td> </tr> <tr> <td>(iii) Employee related provisions</td> <td>0.45</td> <td>0.13</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td>(0.45)</td> <td>(0.83)</td> </tr> <tr> <td>(ii) Lease income</td> <td>(66.00)</td> <td>(68.73)</td> </tr> <tr> <td>(iii) Amortization</td> <td>(0.24)</td> <td>(0.47)</td> </tr> <tr> <td>(iv) Unamortized Exchange Loss (Net)</td> <td>(100.76)</td> <td>(251.08)</td> </tr> <tr> <td>(v) Net MTM Receivable from bank against derivative*</td> <td>(101.00)</td> <td>-</td> </tr> <tr> <td><b>Net Deferred Tax liabilities (-)/Assets (+)</b></td> <td><b>(247.55)</b></td> <td><b>(301.96)</b></td> </tr> </tbody> </table>	Description	As at 31.03.2017	As at 31.03.2016	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	20.45	18.84	(ii) Preliminary Expenses	-	0.16	(iii) Employee related provisions	0.45	0.13	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	(0.45)	(0.83)	(ii) Lease income	(66.00)	(68.73)	(iii) Amortization	(0.24)	(0.47)	(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)	(v) Net MTM Receivable from bank against derivative*	(101.00)	-	<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(247.55)</b>	<b>(301.96)</b>
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<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(247.55)</b>	<b>(301.96)</b>																																			
30.	During the year, Government of India (GoI) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of GoI in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.																																				
31.	Shareholders in their Annual General Meeting held on 19th August 2016 have accorded approval:  (a) to increase the authorized share capital of the Company from ₹ 2,000 crore divided into 2,00,00,00,000 equity shares of ₹ 10/- each to ₹ 10,000 crore divided into 10,00,00,00,000 equity shares of ₹ 10/- each, and  (b) for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account.  Consequently, the Board of Directors of the Company in its meeting held on 1st September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹ 1,320.04 crore (132,00,40,704 equity shares of ₹ 10 each) to ₹ 2,640.08 crore (264,00,81,408 no of equity shares of ₹ 10 each).																																				
32.	In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:																																				

Description	During year ended 31.03.2017	During year ended 31.03.2016 <sup>(1)</sup>
Net Profit after tax used as numerator (₹ in crore)	2,236.10	6,184.00
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704
Earning per equity share, face value ₹ 10 each(basic) (₹) <sup>(1)</sup>	8.47	23.43
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹) <sup>(1)</sup>	8.47	23.43

<sup>(1)</sup>Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.

33. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2017 is as under:

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	50% <sup>(1)</sup>	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20 <sup>(2)</sup>
<b>Total Dividend</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>

<sup>(1)</sup> Declared by Board of Directors in their 359<sup>th</sup> meeting held on 24.03.2017 and paid on 07.04.2017.

<sup>(2)</sup> Paid on 01.09.2016.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Year to which the dividend relates						
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹ 10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹ in crore)	206.61	152.88	NA	76.50	NA	10.52

34. Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.51	5.57
Net worth (₹ in crore)	36,844.93	36,028.30

35. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2017	As at 31.03.2016
(i)	Capital Fund - a. Tier I (₹ in crore)	33,837.70	33,569.76
	- b. Tier II (₹ in crore)	6,373.62	6,225.97
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	207,212.06	194,945.24
(iii)	CRAR	19.41%	20.41%
(iv)	CRAR – Tier I Capital	16.33%	17.22%
(v)	CRAR – Tier II Capital	3.08%	3.19%
		<b>During the year ended 31.03.2017</b>	<b>During the year ended 31.03.2016</b>
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-
36.	In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2017.		
37.	The value of invoices raised pursuant to the contract agreement/ letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹ 0.18 crore (previous year ₹ 3.31 crore) has been netted off from amount Receivable from clients (asset) amounting to ₹ 0.21 crore (previous year ₹ 3.63) respectively. During the year the company has adjusted an amount of ₹ 3.13 crore from unaccrued income and ₹ 3.42 crore from amount receivable from clients (asset) by making provision for the amount receivable from various clients for services to be provided which were not paid by the clients and were outstanding since long.		
38.	In respect of subsidiary companies, disclosures have been appropriately consolidated from their audited accounts and similarly in case of EESL (joint venture), from its unaudited accounts.		
39.	The Company does or transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8 <sup>th</sup> November, 2016 to 30 <sup>th</sup> December, 2016.		

**(I) Additional disclosures in accordance with RBI directions on Corporate Governance****(A) Reference may be made to Note Part - B for Significant Accounting Policies.****(B) Capital**

Reference may be made to Note Part C - 35 for CRAR.

**(C) Investments****(₹ in crore)**

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	3,234.93	2,326.23
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	89.81	96.26
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	3,145.12	2,229.97
	(b) Outside India.		-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	96.26	-
	(ii) Add : Provisions made during the year	86.59	96.26
	(iii) Less : Write-off / write-back of excess provisions during the year	93.04	-
	(iv) Closing balance	89.81	96.26

**(D) Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

**(₹ in crore)**

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.
- These derivative transactions are done for hedging purpose and not for trading or speculative purpose.
- Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular	As at 31.03.2017		As at 31.03.2016	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	0.00	299.87	6.54	125.42
	b) Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	6,405.68	6,296.24	10,070.22	8,587.86

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 6,164.60 crore (Previous year ₹ 7,164.60 crore).

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 291.83 crore (Previous year covering USD / JPY ₹ 701.09 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,659.65	614.22	615.82	8,245.75	19,288.09	39,150.62	38,370.57	135,697.34	245,642.05
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	1,819.64	3,145.17
Borrowings <sup>(3)</sup>	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	194,414.56
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	260.12
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	8,443.89

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

**(G) Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1,428.78	519

(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
<b>Total Exposure to Capital Market</b>		<b>4,653.33</b>	<b>2,619.92</b>

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

**(H) Registration obtained from other financial sector regulators:**

Nil.

**(I) Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

**(J) Credit rating**

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+



2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+
4.	SMERA (of PFCGEL)	SMERA AAA (Stable Outlook)	

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 2 and Part C – 2.1 of notes to accounts in this regard.**

**(N) Provisions and Contingencies**

Reference may be made to Note Part C-21 for provisions and contingencies.

**(O) Draw Down from Reserves**

Reference may be made to Note Part C – 31 and Note - Part A - 2.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

Description	(₹ In crore)	
	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.44%	62.60%

c. Concentration of Exposures:

Description	(₹ In crore)	
	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.13%	56.20%

**d. Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

**e. Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

**(Q) Movement of NPAs in respect of Loan Assets**

(₹ In Crore)

Sl. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)	10.55	2.54
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	7,519.04	2,533.31
	(b) Additions during the year	24,573.14	8,385.58
	(c) Reductions during the year	1,389.97	3,399.85
	(d) Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs		
	(a) Opening balance	6,061.02	2,008.96
	(b) Additions during the year	20,536.65	7,111.93
	(c) Reductions during the year	1,251.70	3,059.87
	(d) Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1458.02	524.35
	(b) Provisions made during the year	4,036.50	1,273.66
	(c) Write-off / write-back of excess provisions	138.27	339.99
	(d) Closing balance	5,356.25	1,458.02

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.**

**(S) Reference may be made to Note Part C-2.1 for list of Off-balance Sheet SPVs sponsored by the Company.**

**(T) Customer Complaints for FY 2016-17**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

41. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

(₹ in Crore)

Particulars		Amount as on 31.03.2017		Amount as on 31.03.2016				
Liabilities Side		outstanding	overdue	outstanding	overdue			
(1)	<b>Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>							
(a)	Debentures : Secured	20,109.87	0.00	21,786.66	0.00			
	: Unsecured	170,800.80	0.00	150,552.50	0.00			
(b)	(i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00			
	(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00			
(c)	Commercial Paper	0.00	0.00	5,286.37	0.00			
(d)	Short Term Borrowings	2,400.79	0.00	2,285.20	0.00			
<b>Assets Side</b>		<b>Principal Amount Outstanding as on 31.03.2017</b>		<b>Principal Amount Outstanding as on 31.03.2016</b>				
(2)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>							
(a)	Secured	168,881.39		148,095.16				
(b)	Unsecured	71,786.70		89,771.53				
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>							
(i)	Lease assets including lease rentals under sundry debtors:							
(a)	Financial lease	194.32		204.09				
(4)	<b>Break-up of Investments (Net of Provisions)</b>							
<b>Current Investments</b>								
1.	<b>Quoted</b>							
(i)	Shares							
(a)	Equity	1,071.02		410.74				
2.	<b>Unquoted</b>							
(i)	Shares							
(a)	Equity	254.51		0.00				
<b>Long Term Investments</b>								
1.	<b>Quoted</b>							
(i)	Shares							
(a)	Equity	12.00		12.00				
(ii)	Debentures and Bonds	1,800.00		1,800.00				
2.	<b>Unquoted</b>							
(i)	Shares							
(a)	Equity*	0.75		0.75				
(b)	Preference	-		-				
(ii)	Units of SIB Fund	6.15		6.15				
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b> (as per applicable provisioning norms)							
<b>Category</b>		<b>Amount Net of Provisions (as on 31.03.2017)</b>			<b>Amount Net of Provisions (as on 31.03.2016)</b>			
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	
1.	<b>Related Parties</b>							
(a)	Subsidiaries		0.00	243.49	243.49	0.00	190.46	190.46
(b)	Other related parties		0.04	0.46	0.50	0.03	0.36	0.39
2.	Other than related parties		169,075.67	71,542.75	240,618.42	148,299.22	89,580.71	237,879.93
<b>Total</b>			<b>169,075.71</b>	<b>71,786.70</b>	<b>240,862.41</b>	<b>148,299.25</b>	<b>89,771.53</b>	<b>238,070.78</b>
(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>							
<b>Category</b>		<b>As on 31.03.2017</b>			<b>As on 31.03.2016</b>			
		<b>Market value / Break up<sup>5</sup> or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	<b>of Provisions)</b>	<b>Market value / Break up<sup>5</sup> or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	<b>of Provisions)</b>	
1.	<b>Related Parties</b>							
(a)	Subsidiaries		0.70	0.75	0.70	0.75	0.75	
(b)	Companies in the same group*		0.00	0.00	0.00	0.00	0.00	
2.	<b>Other than related parties</b>							
(i)	Quoted		3,170.10	2,883.02	2,292.10	2,222.74	2,222.74	
(ii)	Unquoted		331.47	707.36	6.30	6.15	6.15	
<b>Total</b>			<b>3,502.27</b>	<b>3,591.13</b>	<b>2,299.10</b>	<b>2,229.64</b>	<b>2,229.64</b>	
(7)	<b>Other Information</b>							
<b>Particulars</b>		<b>Amount (as on 31.03.2017)</b>			<b>Amount (as on 31.03.2016)</b>			
(i)	<b>Gross Non-performing Assets</b>							
(a)	Other than related parties		30,718.61			7,520.19		
(ii)	<b>Net Non-performing Assets</b>							
(a)	Other than related parties		25,345.95			6,061.17		
(iii)	Assets acquired in satisfaction of debt		341.10			0.00		

\*Book value as on 31.03.2016 excludes investment of ₹ 99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹ 10 of EESL (a JV Company).

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

42.	Additional disclosure flowing from RBI schemes for dealing with stressed assets:																																														
	<p><b>A. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)</b></p> <p>{Figures in brackets ( ) are for previous year} <span style="float: right;">(Amount in ₹ Crore)</span></p> <table border="1"> <thead> <tr> <th rowspan="2">No. of accounts where SDR has been invoked</th> <th colspan="2">Amount outstanding as on the reporting date</th> <th colspan="2">Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending</th> <th colspan="2">Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place</th> </tr> <tr> <th>Classified as standard</th> <th>Classified as NPA</th> <th>Classified as standard</th> <th>Classified as NPA</th> <th>Classified as standard</th> <th>Classified as NPA</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>928.06 (-)</td> <td>- (-)</td> <td>- (-)</td> <td>- (-)</td> <td>928.06 (-)</td> <td>- (-)</td> </tr> </tbody> </table> <p><b>B. Disclosures on Change in Ownership outside SDR Scheme.</b></p> <p>{Figures in brackets ( ) are for previous year} <span style="float: right;">(Amount in ₹ Crore)</span></p> <table border="1"> <thead> <tr> <th rowspan="2">No. of accounts where banks have decided to effect change in ownership</th> <th colspan="2">Amount outstanding as on the reporting date</th> <th colspan="2">Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending</th> <th colspan="2">Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place</th> <th colspan="2">Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity</th> </tr> <tr> <th>Classified as standard</th> <th>Classified as NPA</th> <th>Classified as standard</th> <th>Classified as NPA</th> <th>Classified as standard</th> <th>Classified as NPA</th> <th>Classified as standard</th> <th>Classified as NPA</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>- (-)</td> <td>924.48 (-)</td> <td>- (-)</td> <td>- (-)</td> <td>- (-)</td> <td>924.48 (-)</td> <td>- (-)</td> <td>- (-)</td> </tr> </tbody> </table>	No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place		Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)	No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity		Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)
No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place																																										
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1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)																																							
43.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.																																														
44.	Figures have been rounded off to the nearest crore of rupees with two decimals.																																														
45.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.																																														

**FY 2015-16**

**Part – C**

**Consolidated Other Notes on Accounts**

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2016	31.03.2015	01.04.2015 – 31.03.2016
Subsidiary Companies:				
PFC Consulting Limited (PFCCL) <sup>(i)</sup>	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS) <sup>(i)</sup>	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP) <sup>(ii)</sup>	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL) <sup>(iii)</sup>	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited (EESL) <sup>(iv)</sup>	India	28.79%	25%	Unaudited

<sup>(i)</sup> Decision to merge PFCCAS with PFCCL has been referred to Ministry of Power (MoP), Govt. of India (GoI). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.

<sup>(ii)</sup> Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

<sup>(iii)</sup> The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).

<sup>(iv)</sup> Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Subsidiary Companies:</b>						
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	NA	0.05	--
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	NA	0.05	--
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	NA	0.05	--
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	NA	0.05	--
<b>Total</b>					<b>0.75</b>	<b>0.55</b>

\* Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, Gol.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 9 subsidiary companies (out of 12 wholly owned subsidiaries of PFCL, 3 were transferred to successful bidders during FY 2015-16) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Subsidiary Companies:</b>							
1.	Ballabgarh-GN Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
2.	Tanda Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
3.	Mohindergarh-Bhiwani Transmission Limited	23.12.2014	--	100%	100%	0.05	0.05
4.	Raipur-Rajnandgaon-Warora Transmission Limited <sup>(i)</sup>	23.12.2014	23.11.2015	--	100%	--	0.05

5.	Sipat Transmission Limited <sup>(i)</sup>	23.12.2014	23.11.2015	--	100%	--	0.05
6.	Chhattisgarh-WR Transmission Limited <sup>(i)</sup>	24.12.2014	23.11.2015	--	100%	--	0.05
7.	South-Central East Delhi Power Transmission Limited	18.02.2015	--	100%	100%	0.05	0.05
8.	Odisha Generation Phase-II Transmission Limited <sup>(ii)</sup>	17.04.2015	--	100%	--	0.05	--
9.	Warora-Kurnool Transmission Limited <sup>(ii)</sup>	20.04.2015	--	100%	--	0.05	--
10.	Gurgaon-Palwal Transmission Limited <sup>(ii)</sup>	26.10.2015	--	100%	--	0.01	--
11.	Kohima-Mariani Transmission Limited <sup>(ii)</sup>	22.01.2016	--	100%	--	0.01	--
12.	Medinipur-Jeerat Transmission Limited <sup>(ii)</sup>	22.01.2016	--	100%	--	0.01	--
	<b>Total</b>					<b>0.33</b>	<b>0.35</b>

<sup>(i)</sup> Transferred to successful bidder(s) on completion of the bidding process:

<sup>(ii)</sup> Incorporated as wholly owned subsidiary of PFCCL during FY 2015-16.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US \$ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.75	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	446.22	813.07
	<b>Total</b>	<b>672.97</b>	<b>1,080.64</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

3.2 Commitments

Estimated amount of contract remaining to be executed on capital account, not provided for, is ₹ 84.23 crore (Previous year ₹ 15.32 Crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50 <sup>§</sup>

\* Pertaining to Assessment Year 2001-02 to 2013-14.

§ Pertaining to Assessment Year 2001-02 to 2012-13.

5. A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document.

- B. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.

- C. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2016 and 17.03.2016 respectively.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.68
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
<b>B.</b>	<b>Earning in foreign currency</b>	-	7.64

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
<b>Total</b>		<b>10,070.22</b>		<b>8,514.73</b>



C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

S. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
<b>Power Finance Corporation Limited</b>	
Shri M K Goel*, CMD and CEO <sup>(i)</sup>	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO <sup>(ii)</sup>	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects) <sup>(iii)</sup>	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial) <sup>(iv)</sup>	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014
<b>Subsidiary Companies</b>	
Shi C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013
Shi C Gangopadhyay, Director, PECAP	With effect from 13.10.2009
Sh. A. Chakravarti, Director, PECAP	With effect from 11.10.2011
Sh. A. Chakravarti, CEO, PFCGEL	With effect from 14.09.2012 till 18.05.2015
Sh. Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Sh. Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
<b>Joint Venture Entities</b>	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Sh. P Thakkar, Chairman, EESL	with effect from 10.12.2013 to 12.10.2015
Sh. Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015
Sh. Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016
Sh. S N Gaikwad, Director (Projects)	with effect from 05.02.2016

<sup>(i)</sup>Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013.

<sup>(ii)</sup>Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011)also

<sup>(iii)</sup>Director in PFCCL (w.e.f 23.09.2013), PFCGEL (w.e.f 03.08.2012), and PFC CAS (w.e.f 19.09.2013) also

<sup>(iv)</sup>Director in PFCCL (w.e.f 01.12.2015), PECAP (w.e.f 29.03.2010), and Additional Director PFCGEL (w.e.f 01.12.2015).

\*Holding additional charge of Director (Commerical) upto 16.11.2015.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 3.44 crore (Previous year ₹ 3.74 crore).

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.13	96.85	70.13
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.67
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
Cheyur Infra Limited	0.02	0.01	0.02	0.01
Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
Subsidiaries of PFCCCL	3.68	2.34	5.44	2.79
<b>Total</b>	<b>317.02</b>	<b>290.73</b>	<b>362.43</b>	<b>300.93</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.71	22.44	23.71	22.44
Tatiya Andhra Mega Power Limited	25.73	24.91	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
<b>Total</b>	<b>381.12</b>	<b>338.29</b>	<b>381.12</b>	<b>340.86</b>

B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9.	<p>Major Investments made during the year:</p> <p>The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.</p>																																										
10.	<p>Interest Differential Fund (IDF) – KFW</p> <p>The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).</p>																																										
11.	<p>As required under AS-19, disclosure with respect to various leases are given below:</p> <p>(A) <u>Asset under finance lease after 01.04.2001:</u></p> <p>(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1" data-bbox="207 842 1487 1444"> <thead> <tr> <th>Description</th> <th>As at 31.03.2016</th> <th>As at 31.03.2015</th> </tr> </thead> <tbody> <tr> <td>Total of future minimum lease payments recoverable (Gross Investments)</td> <td>364.78</td> <td>392.95</td> </tr> <tr> <td>Present value of lease payments recoverable</td> <td>204.09</td> <td>212.27</td> </tr> <tr> <td><b>Unearned finance income</b></td> <td><b>160.69</b></td> <td><b>180.68</b></td> </tr> <tr> <td><b>Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-</b></td> <td></td> <td></td> </tr> <tr> <td>Not later than one year</td> <td>27.11</td> <td>30.06</td> </tr> <tr> <td>Later than one year and not later than 5 years</td> <td>107.54</td> <td>107.98</td> </tr> <tr> <td>Later than five years</td> <td>230.13</td> <td>254.91</td> </tr> <tr> <td><b>Total</b></td> <td><b>364.78</b></td> <td><b>392.95</b></td> </tr> <tr> <td><b>Break up of present value of lease payments recoverable:-</b></td> <td></td> <td></td> </tr> <tr> <td>Not later than one year</td> <td>7.89</td> <td>10.06</td> </tr> <tr> <td>Later than one year and not later than 5 years</td> <td>39.52</td> <td>36.18</td> </tr> <tr> <td>Later than five years</td> <td>156.68</td> <td>166.03</td> </tr> <tr> <td><b>Total</b></td> <td><b>204.09</b></td> <td><b>212.27</b></td> </tr> </tbody> </table> <p>(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.</p> <p>(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.</p>	Description	As at 31.03.2016	As at 31.03.2015	Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95	Present value of lease payments recoverable	204.09	212.27	<b>Unearned finance income</b>	<b>160.69</b>	<b>180.68</b>	<b>Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-</b>			Not later than one year	27.11	30.06	Later than one year and not later than 5 years	107.54	107.98	Later than five years	230.13	254.91	<b>Total</b>	<b>364.78</b>	<b>392.95</b>	<b>Break up of present value of lease payments recoverable:-</b>			Not later than one year	7.89	10.06	Later than one year and not later than 5 years	39.52	36.18	Later than five years	156.68	166.03	<b>Total</b>	<b>204.09</b>	<b>212.27</b>
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(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.28 crore (Previous year ₹ 5.11 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2016	Year ended 31.03.2015
Not later than one year	3.69	2.80
Later than one year and not later than 5 years	3.11	2.31
Later than 5 years	4.03	4.53
<b>Total</b>	<b>10.83</b>	<b>9.64</b>

## 12. Implementation of GoI Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GoI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	111.35	123.87
Add : Received during the period	-	-
: Interest credited during the period	8.87	9.42
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	12.75	21.94
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>107.47</b>	<b>111.35</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP.

Amounts received from the Gol under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the Gol on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Gol Loan under R-APDRP (Principal)</b>						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-
<b>Closing Balance (A)</b>	<b>8,230.45</b>	<b>7,687.84</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>						
			NA			
<b>C. Interest on loan under R-APDRP</b>						
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				

Additions During the period	182.27	16.59				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>2,278.88</b>	<b>2,567.57</b>				
<b>D. Accumulated Moratorium Interest</b>			NA			
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(34.07)	1.51				
<b>Closing Balance (D)</b>	<b>999.68</b>	<b>38.85</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>			NA			
(i) Accrued but not due						
Opening Balance	0.15	1.42				
Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>62.48</b>	<b>1.33</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>			NA			
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on "Interest on Accumulated Moratorium Interest"						
Opening Balance	0.02	0.00				
Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>11.61</b>	<b>0.12</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>11,583.10<sup>(1)</sup></b>	<b>10,295.71</b>		-	-	-

(1) Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016

to MoP, Gol. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to Gol under R-APDRP (Note Part A 4).

- (ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company’s manpower, incurred for operationalising the R– APDRP is reimbursable by MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company’s claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company’s own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	31.03.2015
Nodal agency fee <sup>(1)</sup>	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
<b>Total</b>	<b>23.65</b>	<b>4.82</b>	<b>255.74</b>	<b>232.09</b>

<sup>(1)</sup>Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Gol has launched IPDS for completion of targets laid down under R-APDRP for XII<sup>th</sup> and XIII<sup>th</sup> Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, Gol. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of Gol grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
- iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
- iv. 4th installment: 10% of nodal agency fee after completion of works.



The details are furnished below :

(₹ in crore)

Description	Amount of Gol grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	-
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
<b>Closing Balance</b>	<b>358.70</b>	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>0.01</b>

13. Asset classification and Provisioning:

- A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, Gol. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Reschedulement / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.
- B) For asset classification, in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:-
- a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,
  - a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and
  - a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.
- Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31st March of the respective financial year.
- During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.
- C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018.

Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the



	<p>applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.</p>
14.	<p>For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI.</p> <p>In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:-</p> <ul style="list-style-type: none"> <li>(i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity,</li> <li>(ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and</li> <li>(iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.</li> </ul>
15.	<p>For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission &amp; Distribution, Renovation &amp; Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value.</p> <p>For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:-</p> <ul style="list-style-type: none"> <li>(i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R,</li> <li>(ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and</li> <li>(iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above.</li> </ul> <p>As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by</p>

31.03.2016, 31.03.2017 and 31.03.2018 respectively.

Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	199,483.49	<b>111.68</b>	598.48	194,716.30	17.31	486.79
(ii)	Restructured Standard Assets <sup>(1)</sup>	32,262.98	<b>564.77</b>	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	<b>366.83</b>	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	<b>327.48</b>	721.99	1,315.02	150.76	394.52
(v)	Loss Assets <sup>(3)</sup>	248.28	<b>239.36</b>	248.28	8.92	0.00	8.92
<b>(B) Other Assets and provision thereon</b>							
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	<b>Grand Total</b>	<b>2,39,266.68</b>	<b>1,610.16</b>	<b>3,186.72</b>	<b>2,17,775.56</b>	<b>843.07</b>	<b>1,576.56</b>

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S. No.	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April, 01 2015	No. of borrowers	Nil					14	1	3	-	18	14	1	3	-	18
		Amount outstanding (Restructured facility)	Nil					20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88
		Amount outstanding (Other facility)	Nil					-	-	169.78	-	169.78	-	-	169.78	-	169.78
		Provision Thereon	Nil					564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63
2	Movement of balance in account appearing in opening balance	No. of borrowers	Nil					10	-	2	-	12	10	-	2	-	12
		Amount outstanding (Restructured facility)	Nil					2,113.48	-	192.70	-	2,306.18	2,113.48	-	192.70	-	2,306.18
		Amount outstanding (Other facility)	Nil					0.00	-	62.33	-	62.33	0.00	-	62.33	-	62.33

		Provision Thereon		73.97	-	110.7	-	184.67	73.97	-	110.7	-	184.67
	3	Fresh restructuring during the year	No. of borrowers	5	-	-	-	5	5	-	-	-	5
			Amount outstanding (Restructured facility)	14,192.68	-	-	-	14,192.68	14,192.68	-	-	-	14,192.68
			Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-
			Provision Thereon	496.74	-	-	-	496.74	496.74	-	-	-	496.74
	4	Up gradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Restructured facility)	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-
			Provision Thereon	-	-	-	-	-	-	-	-	-	-
	5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-1	-	-	-	-1	-1	-	-	-	-1
			Amount outstanding (Restructured facility)	-1,457.04	-	-	-	-1,457.04	-1,457.04	-	-	-	-1,457.04
			Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-
			Provision Thereon	-40.07	-	-	-	-40.07	-40.07	-	-	-	-40.07
	6	Down gradation of restructured accounts during the year	No. of borrowers	-3	2	1	-	-	-3	2	1	-	-
			Amount outstanding (Restructured facility)	-3111.05	3034.42	76.63	-	-3111.05	3034.42	76.63	-	-	-
			Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-
			Provision Thereon	-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22
	7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Restructured facility)	-	-	-	-	-	-	-	-	-	-
			Amount	-	-	-	-	-	-	-	-	-	-

		outstanding (Other facility)											
		Provision Thereon											
			-	-	-	-	-	-	-	-	-	-	-
8	Restructured accounts as on March 31, 2016	No. of borrowers	15	3	4	-	22	15	3	4	-	22	
		Amount outstanding (Restructured facility)	32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70	
		Amount outstanding (Other facility)	-	-	232.11	-	232.11	-	-	232.11	-	232.11	
		Provision Thereon	1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88	

18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. Disclosures as per Accounting Standard –15 :-

A. Provident fund  
The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by Gol. However, any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

B. Gratuity  
The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension  
The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)  
The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits  
Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2016 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 (0.21)	4.15 (3.63)	6.39 (5.06)

\*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55	0.62	2.34

	(1.43)	(0.52)	(2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets (₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1%	₹ 3.00 crore
Cost decrease by 1%	₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)			
S.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.07	7.64
iii)	Mutual Funds	0.15	-
	<b>Total</b>	<b>19.97</b>	<b>18.65</b>

<sup>(1)</sup>As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
Future salary increase*	6.00%

\* Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

\* The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	-

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	-

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	-

20. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.88)	0.35 (0.21)	0.22 (1.01)	- (-)	0.21 (0.08)
Provision for super annuation benefit (Pension)	0.07 (0.08)	- (-)	- (0.01)	- (-)	0.07 (0.07)
Leave Encashment	23.56 (20.73)	6.46 (5.20)	2.93 (2.37)	- (-)	27.09 (23.56)
Economic Rehabilitation Scheme for employee	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	12.45 (20.19)	10.49 (12.09)	10.91 (19.83)	-0.89 (0.00)	11.14 (12.45)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc. <sup>(1)</sup>	1,576.56 (733.49)	1,610.16 (843.07)	0.00 (0.00)	- (-)	3,186.72 (1,576.56)
Provision for dimunition in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.46 (32.33)	146.81 (118.50)	158.29 (36.37)	- (-)	102.98 (114.46)
Income Tax	6,222.89 (4,639.16)	2,857.89 (2,525.38)	1,550.52 (941.65)	0.49 (-)	7,530.75 (6,222.89)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

<sup>(1)</sup>As detailed at Note Part – C 16.



21. a) Details of gross amount required to be spent by the Company during the year.

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	146.81	118.50
Carry forward from previous year	114.46	32.33
Gross amount required to be spent	261.27	150.83

(b) Amount spent during the year on:

(₹ in crore)

S. No.	Particulars	FY 2015-16			FY 2014-15		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
	Sanitation / Waste Management / Drinking water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	4.10	0.50	4.60	14.05	-	14.05
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
(iii)	Amount spent by Subsidiaries / JVs	0.36	-	0.36	0.85	-	0.85
	<b>Total (ii)</b>	<b>157.53</b>	<b>0.76</b>	<b>158.29</b>	<b>35.78</b>	<b>0.59</b>	<b>36.37</b>
	<b>Grand Total (i) and (ii)</b>			<b>158.29</b>			<b>36.37</b>

c) Details of related party transactions as per Accounting Standard (AS)18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.

e) During the year ended 31.03.2016, an amount of ₹ 192.90 crore (Previous year ₹ 50.75 crore) has been disbursed against CSR activities.

22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

S.No.	Significant Accounting Policy		Modifications
	No.	Title	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 7.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	4.1, 4.2 and 4.4	Tangible assets / Depreciation	Term "Fixed assets" replaced with "Tangible assets" to align with the assets dealt under the policy i.e. Tangible Assets.
4.	4.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	5.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	7	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading "Provisions / write off against Loans and Advances" has also been suitably modified.
7.	8	Foreign Currency Transactions	Heading "Foreign Exchange Transactions" has been substituted with "Foreign Currency Transactions" to bring in clarity.
8.	10	Accounting of Gol Schemes	Para 10.2 deleted to remove redundancy.
9.	13.1 and 13.2	Employee Benefits	The word "(Revised)" suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23. A. Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc. <sup>(1)</sup>	3	5%
3.	Office and other Equipment <sup>(1)</sup>	5	5%
3A	Cell Phone <sup>(2)</sup>	2	5%
4.	Furniture & Fixture <sup>(1)</sup>	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects <sup>(3)</sup>	Project Period	-
8.	Leasehold improvements <sup>(3)</sup>	Lease Period	-

<sup>(1)</sup>Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

<sup>(2)</sup>Useful life has been taken by the Company, PFCGEL and EESL (one of Company's Joint Venture).

<sup>(3)</sup>As disclosed by EESL.

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.

- B. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in

	accordance with Companies Act 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2016, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 73.66% of the consolidated net block of fixed assets (36.36% as on 31.03.2015).																																	
24.	The Company, its subsidiaries and Joint ventures (except one of the subsidiary, PFC Consulting Limited) where principal amount due is ₹ 0.001 crore (as on 31.03.2015 ₹ 0.02 crore) have no outstanding liability towards Micro, Small and Medium enterprises.																																	
25.	Leasehold land is not amortized, as it is a perpetual lease.																																	
26.	<p>The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.</p> <p>The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.</p>																																	
27.	As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.																																	
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.																																	
29.	<p>Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: right;">As at 31.03.2016</th> <th style="text-align: right;">As at 31.03.2015</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td style="text-align: right;">18.84</td> <td style="text-align: right;">11.34</td> </tr> <tr> <td>(ii) Preliminary expenses</td> <td style="text-align: right;">0.16</td> <td style="text-align: right;">0.31</td> </tr> <tr> <td>(iii) Employee related Provisions</td> <td style="text-align: right;">0.13</td> <td style="text-align: right;">0.65</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td style="text-align: right;">(0.83)</td> <td style="text-align: right;">(0.32)</td> </tr> <tr> <td>(ii) Lease income</td> <td style="text-align: right;">(68.73)</td> <td style="text-align: right;">(72.19)</td> </tr> <tr> <td>(iii) Amortization</td> <td style="text-align: right;">(0.47)</td> <td style="text-align: right;">(0.60)</td> </tr> <tr> <td>(iv) Unamortized Exchange Loss (Net)</td> <td style="text-align: right;">(251.08)</td> <td style="text-align: right;">(127.46)</td> </tr> <tr> <td><b>Net Deferred Tax liabilities (-)/Assets (+)</b></td> <td style="text-align: right;"><b>(301.96)</b></td> <td style="text-align: right;"><b>(188.27)</b></td> </tr> </tbody> </table>	Description	As at 31.03.2016	As at 31.03.2015	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	18.84	11.34	(ii) Preliminary expenses	0.16	0.31	(iii) Employee related Provisions	0.13	0.65	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	(0.83)	(0.32)	(ii) Lease income	(68.73)	(72.19)	(iii) Amortization	(0.47)	(0.60)	(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)	<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(301.96)</b>	<b>(188.27)</b>
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30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2016	During year ended 31.03.2015
Net Profit after tax used as numerator (₹ in crore)	6,184.00	6,004.40
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each (basic) (₹)	46.85	45.49
Effect of outstanding Stock Options (₹)	-	0.00
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.85	45.49

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	88% <sup>(1)</sup>	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45% <sup>(2)</sup>	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
<b>Total Dividend</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>	<b>91%</b>	<b>9.10</b>	<b>1,201.24</b>

<sup>(1)</sup> Declared by Board of Directors in their 341<sup>st</sup> meeting held on 16.12.2015 and paid on 04.01.2016.

<sup>(2)</sup> Declared by Board of Directors in their 343<sup>rd</sup> meeting held on 09.02.2016 and paid on 24.02.2016.

(B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Year to which the dividend relates	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value of ₹ 10 each	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776
Gross amount of Dividend (₹ in crore)	1.07	0.61	0.67	NA	NA	0.05

32.	Other key financial parameters:																																										
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<table border="1"> <thead> <tr> <th colspan="2" data-bbox="172 506 980 541">Items</th> <th data-bbox="980 506 1263 541">As at 31.03.2016</th> <th data-bbox="1263 506 1520 541">As at 31.03.2015</th> </tr> </thead> <tbody> <tr> <td data-bbox="172 541 250 615">(i)</td> <td data-bbox="250 541 980 615">Capital Fund - a. Tier I (₹ in crore)</td> <td data-bbox="980 541 1263 577">33,569.76</td> <td data-bbox="1263 541 1520 577">30,429.15</td> </tr> <tr> <td></td> <td data-bbox="250 577 980 615">- b. Tier II (₹ in crore)</td> <td data-bbox="980 577 1263 615">6,225.97</td> <td data-bbox="1263 577 1520 615">6,011.30</td> </tr> <tr> <td data-bbox="172 615 250 688">(ii)</td> <td data-bbox="250 615 980 688">Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)</td> <td data-bbox="980 615 1263 688">194,945.24</td> <td data-bbox="1263 615 1520 688">177,656.78</td> </tr> <tr> <td data-bbox="172 688 250 724">(iii)</td> <td data-bbox="250 688 980 724">CRAR</td> <td data-bbox="980 688 1263 724">20.41%</td> <td data-bbox="1263 688 1520 724">20.51%</td> </tr> <tr> <td data-bbox="172 724 250 760">(iv)</td> <td data-bbox="250 724 980 760">CRAR – Tier I Capital</td> <td data-bbox="980 724 1263 760">17.22%</td> <td data-bbox="1263 724 1520 760">17.13%</td> </tr> <tr> <td data-bbox="172 760 250 795">(v)</td> <td data-bbox="250 760 980 795">CRAR – Tier II Capital</td> <td data-bbox="980 760 1263 795">3.19%</td> <td data-bbox="1263 760 1520 795">3.38%</td> </tr> <tr> <td colspan="2" data-bbox="172 795 980 869"></td> <td data-bbox="980 795 1263 869"><b>During the year ended 31.03.2016</b></td> <td data-bbox="1263 795 1520 869"><b>During the year ended 31.03.2015</b></td> </tr> <tr> <td data-bbox="172 869 250 942">(vi)</td> <td data-bbox="250 869 980 942">Amount of subordinated debt raised as Tier-II capital (₹ in crore)</td> <td data-bbox="980 869 1263 942">-</td> <td data-bbox="1263 869 1520 942">-</td> </tr> <tr> <td data-bbox="172 942 250 1016">(vii)</td> <td data-bbox="250 942 980 1016">Amount raised by issue of Perpetual Debt Instruments (₹ in crore)</td> <td data-bbox="980 942 1263 1016">-</td> <td data-bbox="1263 942 1520 1016">-</td> </tr> </tbody> </table>		Items		As at 31.03.2016	As at 31.03.2015	(i)	Capital Fund - a. Tier I (₹ in crore)	33,569.76	30,429.15		- b. Tier II (₹ in crore)	6,225.97	6,011.30	(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)	194,945.24	177,656.78	(iii)	CRAR	20.41%	20.51%	(iv)	CRAR – Tier I Capital	17.22%	17.13%	(v)	CRAR – Tier II Capital	3.19%	3.38%			<b>During the year ended 31.03.2016</b>	<b>During the year ended 31.03.2015</b>	(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-	(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-		
Items		As at 31.03.2016	As at 31.03.2015																																								
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34.	In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2016.																																										
35.	The value of invoices raised pursuant to execution of contract agreement/ issue of letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹ 3.31 crore (previous year ₹ 4.09 crore) has been set-off from amount Receivable from clients (asset) amounting to ₹ 3.63 crore (previous year ₹ 4.50 crore respectively).																																										
36.	The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their audited accounts except from unaudited accounts of one of Company's JVs (EESL).																																										

**37. Additional disclosures in accordance with RBI directions on Corporate Governance**

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Capital

Reference may be made to Note Part C - 33 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	2,774.79	852.38
(b)	Outside India	-	-
(ii)	Provisions for Depreciation		
(a)	In India	97.32	1.06
(b)	Outside India	-	-
(iii)	Net Value of Investments		
(a)	In India	2,677.47	851.32
(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
(i)	Opening balance	1.06	0.00
(ii)	Add : Provisions made during the year	96.26	1.06
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	97.32	1.06

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- a. Company has put in place Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.

- b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.
- c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.
- d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular	As at 31.03.2016		As at 31.03.2015	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	6.54	125.42	12.86	86.05
	b) Liability (-MTM)	181.39	3.70	294.66	43.92
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	10,070.22	8,587.86	8,514.73	6,292.68

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

(E) Disclosures related to Securitisation

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).
- II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,126.76	396.04	1,069.45	20,869.00	8,603.18	36,454.82	41,309.40	127,148.85	<b>238,977.50</b>
Investments <sup>(2)</sup>	-	-	-	-	410.74	-	-	2,266.73	<b>2,677.47</b>
Borrowings <sup>(3)</sup>	9,366.68	9,350.00	3,393.00	4,818.60	7,289.41	55,701.03	36,312.50	63,859.11	<b>190,090.33</b>
Foreign Currency assets	5.14	-	-	12.23	17.37	5.14	144.41	115.31	<b>299.60</b>
Foreign Currency liabilities	4.78	-	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	<b>10,775.59</b>

<sup>(1)</sup>Rupee Loan Assets<sup>(2)</sup>Net of provision<sup>(3)</sup>Rupee Liabilities**(G) Exposures**

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2016	Amount as at 31.03.2015
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	869.64	844.70
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	1,076.71
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under	Nil	Nil



	process);		
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
<b>Total Exposure to Capital Market</b>		<b>2,619.92</b>	<b>4,026.91</b>

III. Details of financing of parent company products:

Nil.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2015-16 and FY 2014-15.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2016 (Previous year Nil).

(H) Registration obtained from other financial sector regulators

Nil.

(I) **Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by Gol.

(J) **Credit rating**

- a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

- b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2016:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)

(K) **Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

(L) **Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of standalone notes to accounts in this regard.

(N) **Provisions and Contingencies**

Reference may be made to Note Part –C 20 for provisions and contingencies.

(O) **Draw Down from Reserves**

Nil. (Previous year refer note Part A-2)

(P) **Concentration of Deposits, Advances, Exposures and NPAs**

- a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

- b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Advances to 20 largest borrowers	149,982.23	134,557.86
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.53%	61.75%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers / customers	2,12,005.09	2,02,894.98
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.47%	55.86%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In Crore)

Sl. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)	2.54	0.92
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	2,533.31	1,331.54
(b)	Additions during the year	8,385.58	2,548.77
(c)	Reductions during the year	(3,399.85)*	(1,347.00)
(d)	Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs		
(a)	Opening balance	2,008.96	1,068.48
(b)	Additions during the year	7,111.93	2,265.41
(c)	Reductions during the year	(3,059.87)*	(1,324.93)
(d)	Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	524.35	263.06
(b)	Provisions made during the year	1,273.66	283.36
(c)	Write-off / write-back of excess provisions	(339.99)*	(22.07)
(d)	Closing balance	1,458.02	524.35

\*Reference may be made to Note Part –C 18.

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) **Customer Complaints for FY 2015-16**

<b>Sl. No.</b>	<b>Description</b>	<b>Number of complaints</b>
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

38. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.

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

40. Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

## Capitalization Statement (Consolidated)

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
	IGAAP	IGAAP	IGAAP
<b>Debts</b>			
Short term Debt - Current	7,126.10	2,543.48	7,571.57
Long term Debt - Non- Current	1,92,054.48	1,75,103.36	1,72,614.57
- Current	31,129.84	25,345.90	20,474.00
<b>Total Debt</b>	<b>2,30,310.42</b>	<b>2,02,992.74</b>	<b>2,00,660.14</b>
<b>Shareholders' Fund</b>			
Share Capital	2,640.08	2,640.08	1,320.04
Reserves & Surplus	37,561.66	34,204.83	34,708.27
<b>Net Worth</b>	<b>40,201.74</b>	<b>36,844.91</b>	<b>36,028.31</b>
Longterm Debt* / Networth	4.78	4.75	4.79
Total Debt / Networth	5.73	5.51	5.57

*\*Excludes current maturity of Long term Debt*

**Accounting Ratios(Consolidated)****(₹ in crore)**

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
	IGAAP	IGAAP	IGAAP
Net Profit After Tax	5,844.11	2,236.10	6,184.00
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704
Networth	40,201.74	36,844.91	36,028.31
Average Networth	38,523.33	36,436.61	34,219.83
Accounting Ratios:			
Basic and Diluted Earing Per Share (₹)	22.14	8.47	46.85
Net Asset Value per Share (₹)	152.27	139.56	272.93
Return on Average Net worth (%)	15.18%	6.14%	18.07%

**EXAMINATION REPORT ON REFORMATTED STANDALONE FINANCIAL INFORMATION  
UNDER IGAAP**

Date: 30<sup>th</sup> December, 2020

To,  
The Board of Directors  
**Power Finance Corporation Limited**  
Urjanidhi  
1 Barakhamba Lane, Connaught Place  
New Delhi 110 001  
India

Dear Sirs,

**Sub: Proposed public issue of secured, rated, listed, redeemable, non-convertible debentures (“NCDs”) of face value of ₹ 1,000/- (Rupees Ten Thousand only) each aggregating up to ₹ 10,000 crores (Rupees Ten Thousand Crores only) by Power Finance Corporation Limited (“Company”) in one of more tranches from time to time (“Issue”)**

1. The management of the Company has approved the accompanying Reformatted Standalone Financial Information of the Company as at and for the years ended on March 31, 2018, 2017 and 2016 comprising of Reformatted Standalone Statement of Assets and Liabilities (Annexure I), Reformatted Standalone Statement of Profit and Loss (Annexure II), Reformatted Standalone Cash Flow Statement (Annexure III) as on and for the years ended March 31, 2018, 2017 and 2016, the Summary Statement of Significant Accounting Policies (Annexure IV) and Notes to Accounts (Annexure V), (collectively referred to as “**Reformatted Standalone Financial Information under IGAAP**”) annexed to this report, in accordance with the requirements of:
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
  - (b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (“**SEBI Regulations**”), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992;
  - (c) the Guidance Note issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).to be included in the Draft Shelf Prospectus and Shelf Prospectus (hereinafter collectively referred to as the “**Prospectuses**”), in connection with the proposed public issue of NCDs by the Company.
2. These Reformatted Standalone Financial Information have been compiled by the Management from the audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2018, 2017 and 2016 prepared in accordance with Indian Accounting principles generally accepted in India (“**IGAAP**”) as prescribed under Section 133 of the Act, read with relevant rules thereunder which have been approved by the Board of Directors.
3. We have examined the Reformatted Standalone Financial Information under IGAAP as stated in para 1 & 2 above.
4. Based on our examination and according to the information and explanation given to us, we report that, the Reformatted Standalone Financial Information, and Other Standalone Financial Information of the

Company mentioned above, as at and for the years ended March 31, 2018, 2017 and 2016 have been prepared in accordance with Section 26 of the Act and the SEBI Regulations. We further state that:

The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the standalone financial statements for the year ended March 31, 2018 for the purpose of Reformatted Standalone Financial Information.

5. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1; Quality Control for the Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements
6. This report should not, in any way, be construed as a re -Issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/ information referred to herein.
7. The data in the “Standalone Financial Information” has been extracted from the Audited Financial Statements of the Company, duly audited by the then Statutory Auditors of the Company appointed by C&AG. For the purpose of our examination we have relied on:
  - (a) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & Gandhi Minocha & Co.[●], Chartered Accountants, dated May 25, 2018 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2018 as referred in paragraph 4 above;
  - (b) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 29, 2017 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2017 as referred in paragraph 4 above;
  - (c) Auditors’ report issued by M.K. Aggarwal & Co., Chartered Accountants & K.B. Chandna & Co., Chartered Accountants, dated May 25, 2016 on the Standalone Financial Statements of the Company as at and for the year ended March 31, 2016 as referred in paragraph 4 above; and
8. There is no qualification or adverse remark in the auditor’s report on the financial statements for the years ended March 31, 2018, 2017 and 2016. However, there are Emphasis of Matter in the annexure to the auditor’s reports which have been included in Annexure – A, which do not have any quantifiable impact on the Standalone Reformatted Financial Information.
9. The Management of the Company is responsible for preparation of the Reformatted Standalone Financial Information for the purpose of inclusion in the Prospectuses to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the proposed public issue of NCDs. The Management responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, including any rules passed in pursuance thereof, Guidance Note and SEBI regulations.
10. We have examined such Reformatted Standalone Financial Information taking into consideration:
  - (a) The term of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 24, 2020 in connection with the proposed Issue of NCDs of the Company;



- (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- (c) Concepts of tests checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under IGAAP; and
- (d) The requirements of Section 26 of the Act and SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.
11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
12. At the Company's request, we have also examined the following other standalone financial information of the Company as at and for the years ended on March 31, 2018, 2017 and 2016 (Collectively referred to as "**Other Standalone Financial Information**") proposed to be included in the Prospectuses as approved by the Board of Directors or any other Committee thereto, annexed to this report:
- I. Statements of Accounting Ratios (Standalone), as at and for the financial years ended March 31, 2018, 2017 and 2016 (Annexure – VI)
- II. Statement of Dividends (Standalone), for the financial years ended March 31, 2018, 2017 and 2016, (Annexure – VII)
- III. Capitalization Statement (Standalone), as at years ended March 31, 2018, 2017 and 2016, (Annexure – VIII)

**13. Restriction of use**

Our report is intended solely for the use of Board of Directors for inclusion in the Prospectuses to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and Registrar of Companies, National Capital Territory of Delhi and Haryana in connection with the Proposed Public Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For and on behalf of**

**Gandhi Minocha & Co.**  
**Authorized Signatory**

**MANOJ BHARDWAJ**  
Digitally signed by MANOJ BHARDWAJ  
Date: 2020.12.30 17:58:18  
Name: CA Manoj Bhardwaj  
**Designation:** Partner  
**Membership Number:** 098606  
**Date:** 30.12.2020  
**Firm Regn Number:** 000458N  
**Place:** New Delhi  
**UDIN:**20098606AAAADH6222

**Dass Gupta and Associates**  
**Authorized Signatory**

**NARESH GOEL**  
Digitally signed by NARESH GOEL  
Date: 2020.12.30 17:35:06 +05'30'  
**Name:** CA Naresh Kumar  
**Designation:** Partner  
**Membership Number:** 082069  
**Date:** 30.12.2020  
**Firm Regn Number:** 000112N  
**Place:** New Delhi  
**UDIN:**20082069AAAAAW5449

Cc to-

- 1) Lead Managers to the issue

**ANNEXURE - A**

<b>Financial Year</b>	<b>Auditor Remarks</b>
FY 2018	None
FY 2017	<p><b>Emphasis of Matter</b></p> <p>(a) Note No. 15 of Part-C ‘Other Notes on Accounts’, regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by Rs. 3,427.18 crore and reversal of income by Rs. 527.37 crore during the year on state sector loans.</p> <p>(b) Note No. 19 of Part-C ‘Other Notes on Accounts’, regarding income reversal of Rs. 413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon’ble High Court of Madras.</p> <p>(c) Note No. 5 (E) of Part-C ‘Other Notes on Accounts’, whereby income of Rs. 178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.</p>
FY 2016	<p><b>Emphasis of Matter</b></p> <p>(a) Note no. 13 (C) of Part-C ‘Other Notes on Accounts’ regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016.</p> <p>(b) Note No. 15 of Part-C ‘Other Notes on Accounts’, regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.</p>

## POWER FINANCE CORPORATION LIMITED

CIN L65910DL1986GOI024862

## REFORMATTED BALANCE SHEET AS AT 31.03.2018, 31.03.2017 AND 31.03.2016

(₹ in Crore)

Description		Note Part	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>A EQUITY AND LIABILITIES</b>								
(1)	<b>Shareholders' Funds</b>							
	(i)	Share Capital	A-1	2,640.08		2,640.08		1,320.04
	(ii)	Reserves & Surplus	A-2	37,220.59	39,860.67	33,830.13	36,470.21	34,445.99
								35,766.03
(2)	<b>Non-Current Liabilities</b>							
	(i)	Long Term Borrowings	A-3					
		Secured		13,350.64		20,106.17		19,869.75
		Un-secured		1,78,148.04	1,91,498.68	1,54,735.19	1,74,841.36	1,52,679.95
	(ii)	Deferred Tax Liabilities (Net)	C-26		300.90		250.51	302.06
	(iii)	Other Long Term Liabilities	A-4		5,917.82		6,142.58	548.75
	(iv)	Long Term Provisions	A-5		2,245.82		2,662.83	1,324.67
(3)	<b>Current Liabilities</b>							
	(i)	Short -Term Borrowings	A-3					
		Secured		0.00		2,400.79		0.00
		Un-secured		6,924.74		0.00		7,571.57
	(ii)	Other Current Liabilities						
	a)	Borrowings	A-3					
		Secured		7,050.94		3.70		1,916.91
		Un-secured		24,063.99		25,342.19		18,446.26
	b)	Other Short Term Liabilities	A-4		7,879.18		8,420.17	7,502.42
	(iii)	Short Term Provisions	A-5		722.43	46,641.28	1,927.11	805.44
						38,093.96		36,242.60
		<b>Total</b>		<b>2,86,465.17</b>		<b>2,58,461.45</b>		<b>2,46,733.81</b>
<b>B ASSETS</b>								
(1)	<b>Non-Current Assets</b>							
	(i)	Fixed Assets	A-6					
	a)	Tangible Assets		109.03		106.51		105.13
		Less: Accumulated Depreciation		45.09	63.94	44.63	61.88	62.56
	b)	Intangible Assets		9.46		8.95		8.77
		Less: Accumulated Amortization		8.57	0.89	8.26	0.69	7.42
								1.35
	c)	Intangible Assets under Development			0.00		0.00	0.16
	(ii)	Non-Current Investments	A-7					
		Trade		465.60		465.60		466.73
		Others		800.00	1,265.60	1,800.00	2,265.60	1,800.00
	(iii)	Long Term Loans	A-8					
		Secured		1,55,786.78		1,38,306.30		1,34,642.08
		Un-Secured		79,033.75	2,34,820.53	62,026.71	2,00,333.01	65,394.00
								2,00,036.08
	(iv)	Other Non-Current Assets	A-9		5,891.71		5,568.49	410.36
(2)	<b>Current Assets</b>							
	(i)	Current Investments	A-10	1,070.76		1,325.53		410.74
	(ii)	Cash and Bank Balances	A-11	553.20		3,573.15		78.45
	(iii)	Short Term Loans	A-8					
		Secured		6,351.65		1,490.49		1,092.51
		Un-Secured		5,083.77		4,468.71		2,711.45
	(iv)	Other Current Assets						
	a)	Current Maturity of Long Term Loans	A-8					
		Secured		21,429.53		28,635.13		12,191.12
		Un-Secured		5,126.68		5,241.68		21,431.03
	b)	Others	A-9	4,806.91	44,422.50	5,497.09	50,231.78	6,041.27
								43,956.57
		<b>Total</b>		<b>2,86,465.17</b>		<b>2,58,461.45</b>		<b>2,46,733.81</b>

**POWER FINANCE CORPORATION LIMITED**

**CIN L65910DL1986GOI024862**

**REFORMATTED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018, 31.03.2017 AND 31.03.2016**

(₹ in Crore)					
Description	Note Part	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	
<b>I. Revenue from Operations</b>					
Interest		25,820.86	26,270.08	27,079.44	
Other Operating Income		271.37	321.11	140.94	
Other Financial Services		322.24	316.34	275.83	27,496.21
<b>II. Other Income</b>					
Other Income				111.04	68.10
		323.27			
<b>III. Total Income ( I + II )</b>		<b>26,737.74</b>	<b>27,018.57</b>		<b>27,564.31</b>
<b>IV. Expenses</b>					
Finance Costs		17,204.85	16,432.69		16,473.81
Borrowing Expenses		28.16	26.58		33.44
Employee Benefit Expenses		166.78	114.97		90.37
Provisions		560.83	5,101.08		1,609.32
Provision for decline in value of investments		254.51	(7.51)		96.26
Depreciation and Amortization expenses		6.41	5.56		6.17
CSR Expenses		118.18	166.15		145.79
Other Expenses		71.00	67.79		50.62
Prior Period Items (Net)		0.07	1.47		(2.13)
<b>Total Expenses</b>		<b>18,410.79</b>	<b>21,908.78</b>		<b>18,503.65</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>8,326.95</b>	<b>5,109.79</b>		<b>9,060.66</b>
<b>VI. Exceptional Items</b>		0.00	0.00		0.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>8,326.95</b>	<b>5,109.79</b>		<b>9,060.66</b>
<b>VIII. Extraordinary Items</b>		0.00	0.00		0.00
<b>IX. Profit Before Tax (VII-VIII)</b>		<b>8,326.95</b>	<b>5,109.79</b>		<b>9,060.66</b>
		F 378			



POWER FINANCE CORPORATION LIMITED				
CIN L65910DL1986GOI024862				
REFORMATTED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018, 31 MARCH, 2017 AND 31 MARCH, 2016				
( ₹ in Crore)				
Description	Note Part	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Cash Flow from Operating Activities :-</b>				
Net Profit before Tax and Extraordinary items		8,326.95	5,109.79	9,060.66
<b>ADD: Adjustments for</b>				
Loss on Sale of Fixed Assets (net)		0.42	0.16	0.14
Profit on sale of Investments	A-13	(0.78)	(0.50)	(0.49)
Depreciation / Amortization (including Prior period depreciation)	A-6	6.41	5.78	6.17
Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)	99.49	(11.55)
Foreign Exchange Translation Loss		229.55	221.48	306.16
Net Change in Fair Value of Derivatives	A-14	132.45	(178.15)	0.00
Provision for decline in value of investments		254.51	(7.51)	96.26
Provisions	C-12	560.83	5101.08	1609.32
Dividend on investment	A-13	(146.32)	(93.77)	(70.66)
CSR Expenses		0.00	166.15	145.79
Interest Subsidy Fund		6.31	2.22	(3.88)
Provision for interest under IT Act		0.00	0.69	0.00
Excess Liabilities & Provisions written back	A-13	(164.92)	(0.12)	(0.30)
Provision for Retirement Benefits / Other Welfare Expenses / Wage revision		72.39	18.59	20.84
<b>Operating profit before Working Capital Changes:</b>		<b>9,211.39</b>	<b>10,445.38</b>	<b>11,158.46</b>
<b>Increase / Decrease :</b>				
Loan Assets (Net)		(33,387.74)	(6,939.35)	(21220.77)
Other Assets		13.78	(4,625.63)	(774.44)
Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(v)	(1.09)	92.18	(359.18)
Liabilities and provisions		(746.51)	6347.39	878.88
<b>Cash flow before extraordinary items</b>		<b>(24,910.17)</b>	<b>5,319.97</b>	<b>(10,317.05)</b>
Extraordinary items		0.00	0.00	0.00
<b>Cash Inflow / Outflow from operations before Tax</b>		<b>(24,910.17)</b>	<b>5,319.97</b>	<b>(10,317.05)</b>
Income Tax paid		(2,619.53)	(3,302.04)	(3059.54)
Income Tax Refund		1.36	68.61	37.62
<b>Net Cash flow from Operating Activities</b>		<b>(27,528.34)</b>	<b>2,086.54</b>	<b>(13,338.97)</b>
<b>II. Cash Flow From Investing Activities :</b>				
Sale / adjustment of Tangible / Intangible Assets		0.23	0.09	0.14
Purchase of Tangible / Intangible Assets	A-6	(9.32)	(4.51)	(4.57)
Increase / decrease in Intangible assets under development	A-6	0.00	(0.02)	(0.16)
Dividend on investment		146.23	93.77	70.66
Purchase / Sale of Other Investments		1,001.04	(564.55)	(1,921.92)
<b>Net Cash Used in Investing Activities</b>		<b>1138.18</b>	<b>(475.22)</b>	<b>(1855.85)</b>
<b>III. Cash Flow From Financing Activities :</b>				
Issue of Bonds (including premium) (Net)		4,046.30	18,570.20	11711.11
Raising of Long Term Loans (Net)		8,525.00	(9,000.00)	(3585.00)
Foreign Currency Loans (Net)		9,584.90	(2,559.98)	732.75
Commercial paper (Net)		7,030.00	(5,350.00)	3195.00
Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,400.79)	115.59	357.03
Unclaimed Bonds (Net)		3.41	(3.32)	(0.13)
Unclaimed Dividend (Net)		1.20	(0.29)	0.40
Payment of Final Dividend of Previous year		0.00	(79.20)	(79.20)
Payment of Interim Dividend of Current / Previous year*		(2,505.30)	0.00	(1755.66)
Payment of Corporate Dividend Tax		(471.59)	(217.64)	(372.86)
<b>Net Cash in-flow from Financing Activities</b>		<b>23,813.13</b>	<b>1,475.36</b>	<b>10,203.44</b>
<b>Net Increase / Decrease in Cash &amp; Cash Equivalents</b>		<b>(2,577.03)</b>	<b>3,086.68</b>	<b>(4,991.38)</b>
Add : Cash & Cash Equivalents at beginning of the financial year		3,114.74	28.06	5,019.44
<b>Cash &amp; Cash Equivalents at the end of the financial year</b>		<b>537.71</b>	<b>3,114.74</b>	<b>28.06</b>

Details of Cash & Cash Equivalents at the end of the year:		A-11					
i)	Balances in current accounts with:						
	Reserve Bank of India		0.02		0.02		0.05
	Scheduled Banks		4.74	4.76	42.84	42.86	28.01
ii)	Cheques in hand		0.00			0.00	0.00
iii)	Imprest with postal authority		0.00			0.00	0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			532.95		3,071.88	-
	<b>Sub Total (I)</b>			<b>537.71</b>		<b>3,114.74</b>	<b>28.06</b>
Details of Earmarked Cash and Bank Balances at the end of the year:		A-11					
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.			11.04		458.41	6.41
ii)	IPDS / R-APDRP						
	Balances in current account with schedule banks			4.45		0.00	13.01
	Fixed Deposits with Banks (original maturity up to 3 months)			0.00		0.00	0.00
iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)			0.00		0.00	30.97
	<b>Sub Total (II)</b>			<b>15.49</b>		<b>458.41</b>	<b>50.39</b>
	<b>Total Cash and Bank Balance at the end of the year (I+II)</b>			<b>553.20</b>		<b>3,573.15</b>	<b>78.45</b>
* Out of interim dividend provision of ₹ 1320.04 crore as on 31.03.2017, ₹ 874 crore has been adjusted against advance paid to Gol & remaining ₹ 446.04 crore has been paid during the current year.							

**NOTE - Part A - 1****SHARE CAPITAL****(₹ in Crore)**

Description		As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>A</b>	<b>Authorized :</b>			
	10,00,00,00,000 Equity shares of par value of ₹ 10/- each	10,000.00	10,000.00	2,000.00
	<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>2,000.00</b>
<b>B</b>	<b>Issued, subscribed and fully paid up :</b>			
	2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up	2,640.08	2,640.08	1,320.04
	<b>Total</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>1,320.04</b>



NOTE - Part A - 2						
RESERVES & SURPLUS						
(₹ in Crore)						
Description	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>(A) Securities Premium Account</b>						
Opening balance	2,776.54		4,096.58		4,096.37	
Add : Addition during the year	0.00		0.00		0.21	
Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2,776.54	-	4,096.58
<b>(B) Debenture Redemption Reserve</b>						
Opening balance	1,434.17		1,172.55		856.28	
Add : Transfer from Surplus	292.65		298.02		316.27	
Less: Transfer to Surplus on account of utilization	0.00	1,726.82	36.40	1,434.17	-	1,172.55
<b>(C) Others</b>						
<b>(i) Reserve for Bad &amp; doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961</b>						
Opening balance	3,014.69		2,547.14		2,117.93	
Add : Transfer from Surplus	368.30	3,382.99	467.55	3,014.69	429.21	2,547.14
<b>(ii) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		599.85		599.85		599.85
<b>(iii) Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>						
Opening balance	14,310.69		12,506.91		10,540.21	
Less: Transfer to General Reserve	0.00		0.00		(66.22)	
Add : Transfer from Surplus	1,585.24	15,895.93	1,803.78	14,310.69	2,032.92	12,506.91
<b>(iv) General Reserve</b>						
Opening balance	5,438.68		5,364.33		4,197.11	
Add : Transfer from Surplus	1,000.00		0.00		1,101.00	
Add : Transferred from Special Reserve	0.00		0.00		66.22	
Add : Gain - Change in fair value of derivatives	0.00	6,438.68	74.35	5,438.68	-	5,364.33
<b>(v) Foreign Currency Monetary Item Translation Difference A/c</b>						
Opening balance	(647.56)		(739.74)		(380.56)	
Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)	(359.18)	(739.74)
<b>(vi) Interest Differential Reserve - KFW Loan</b>						
Opening balance	0.00		0.00		-	
Add : Transfer from Surplus (net)*	57.90	57.90	0.00	0.00	-	-
<b>(D) Surplus</b>						
Opening balance	6,903.07		8,898.37		8,871.98	
Add : Profit after tax for the year	5,855.22		2,126.39		6,113.48	
<b>Less : Transfer to / from Reserves</b>						
Transfer to Reserve for Bad & Doubtful Debts u/s 36(1)(vii)(c) of Income Tax Act, 1961	368.30		467.55		429.21	
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,585.24		1,803.78		2,032.92	
Transfer to Debenture Redemption Reserve	292.65		298.02		316.27	
Transfer to General Reserve	1,000.00		0.00		1,101.00	
Transfer to Interest Differential Reserve - KFW Loan (net)*	57.90		0.00		-	
<b>Less : Dividend &amp; Corporate Dividend Tax</b>						
Interim / Final Dividend	2,059.26		1,320.04		1,834.86	
Corporate Dividend Tax on Interim / Final Dividend	404.41		268.73		372.86	
<b>Adjustments during the Year</b>						
Add: Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40		-	
Add: Adjustment made during the year	0.00	6,990.53	0.03	6,903.07	0.03	8,898.37
<b>Total (A) + (B) + (C) +(D)</b>		<b>37,220.59</b>		<b>33,830.13</b>		<b>34,445.99</b>

\* Transfer to Surplus on account of utilisation amounts to ₹ 1.51 crore (Previous year Nil)

## NOTE - Part A - 3

## BORROWINGS

(₹ in Crore)

Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
	<b>A. Long Term Borrowings</b>								
<b>I. Secured</b>									
<b>Bonds</b>									
Infrastructure Bonds	40.94	243.38	284.32	3.70	281.06	284.76	316.91	44.64	361.55
Tax Free Bonds	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11
Other Taxable Bonds	7,010.00	540.00	7,550.00	0.00	7,550.00	7,550.00	1,600.00	7,550.00	9,150.00
Capital Gain Tax Exemption Bonds	0.00	292.15	292.15	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (I)</b>	<b>7,050.94</b>	<b>13,350.64</b>	<b>20,401.58</b>	<b>3.70</b>	<b>20,106.17</b>	<b>20,109.87</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>
<b>II. Unsecured</b>									
<b>a) Bonds</b>									
Other Bonds / Debentures	21,705.00	1,47,921.95	1,69,626.95	24,155.40	1,41,678.10	1,65,833.50	15,868.00	1,29,682.64	1,45,550.64
Subordinated Bonds	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes	0.00	2,607.00	2,607.00	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86
	<b>21,705.00</b>	<b>1,54,328.95</b>	<b>1,76,033.95</b>	<b>25,322.70</b>	<b>1,45,478.10</b>	<b>1,70,800.80</b>	<b>15,868.00</b>	<b>1,34,684.50</b>	<b>1,50,552.50</b>
<b>b) Foreign Currency Loans</b>									
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India)	21.19	180.29	201.48	19.49	184.74	204.23	20.68	217.19	237.87
Syndicated Foreign Currency Loans from Banks & Financial Institutions	0.00	12,462.05	12,462.05	0.00	7,072.35	7,072.35	2,057.58	7,278.26	9,335.84
Foreign Currency Loans ( FCNR(B) from banks)	2,337.80	651.75	2,989.55	0.00	0.00	0.00	0.00	0.00	0.00
	<b>2,358.99</b>	<b>13,294.09</b>	<b>15,653.08</b>	<b>19.49</b>	<b>7,257.09</b>	<b>7,276.58</b>	<b>2,078.26</b>	<b>7,495.45</b>	<b>9,573.71</b>
<b>c) Rupee Term Loans</b>									
Rupee Term Loans (From Banks / Financial Institutions)	0.00	10,525.00	10,525.00	0.00	2,000.00	2,000.00	500.00	10,500.00	11,000.00
	<b>0.00</b>	<b>10,525.00</b>	<b>10,525.00</b>	<b>0.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>500.00</b>	<b>10,500.00</b>	<b>11,000.00</b>
<b>Sub Total (II)</b>	<b>24,063.99</b>	<b>1,78,148.04</b>	<b>2,02,212.03</b>	<b>25,342.19</b>	<b>1,54,735.19</b>	<b>1,80,077.38</b>	<b>18,446.26</b>	<b>1,52,679.95</b>	<b>1,71,126.21</b>
<b>B. Short Term Borrowings</b>									
<b>I. Secured</b>									
Loan against FD (From Banks)	0.00	0.00	0.00	2,400.79	0.00	2,400.79	0.00	0.00	0.00
<b>Sub Total (I)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,400.79</b>	<b>0.00</b>	<b>2,400.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>II. Unsecured</b>									
Commercial Paper	6,924.74	0.00	6,924.74	0.00	0.00	0.00	5,286.37	0.00	5,286.37
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	0.00	0.00	0.00	0.00	0.00	0.00	2,285.20	0.00	2,285.20
<b>Sub Total (II)</b>	<b>6,924.74</b>	<b>0.00</b>	<b>6,924.74</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>
<b>Total (A) + (B)</b>	<b>38,039.67</b>	<b>1,91,498.68</b>	<b>2,29,538.35</b>	<b>27,746.68</b>	<b>1,74,841.36</b>	<b>2,02,588.04</b>	<b>27,934.74</b>	<b>1,72,549.70</b>	<b>2,00,484.44</b>

NOTE - Part A - 4										
OTHER LONG TERM & SHORT TERM LIABILITIES										
(₹ in Crore)										
Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016			
	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total	
i	Interest Subsidy Fund from GOI	1.95	114.05	116.00	3.59	106.10	109.69	6.88	100.59	107.47
ii	Interest Differential Fund - KFW <sup>§</sup>	0.00	0.00	0.00	0.00	63.88	63.88	0.00	60.71	60.71
iii	Advance received / amount payable to Subsidiaries (including interest payable thereon)	196.63	268.88	465.51	193.38	249.04	442.42	185.05	198.78	383.83
	Amount payable to Gol under R-APDRP	0.00	0.00	0.00	0.00	0.00	0.00	13.00	0.00	13.00
	Amount payable to Gol under IPDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv	Other Bonds (Amount payable-Bonds fully serviced by Gol)*									
	a) Principal	0.00	5,000.00	5,000.00	0.00	5,000.00	5,000.00	0.00	0.00	0.00
	b) Interest accrued but not due	38.21	0.00	38.21	38.21	0.00	38.21	0.00	0.00	0.00
	<b>Sub Total (I)</b>	<b>236.79</b>	<b>5,382.93</b>	<b>5,619.72</b>	<b>235.18</b>	<b>5,419.02</b>	<b>5,654.20</b>	<b>204.93</b>	<b>360.08</b>	<b>565.01</b>
v	Interest Accrued but not due :									
	On Bonds	7,320.79	141.87	7,462.66	7,226.02	288.23	7,514.25	6,841.49	188.50	7,029.99
	On Loans	66.35	0.00	66.35	27.14	0.00	27.14	58.36	0.00	58.36
	<b>Sub Total (II)</b>	<b>7,387.14</b>	<b>141.87</b>	<b>7,529.01</b>	<b>7,253.16</b>	<b>288.23</b>	<b>7,541.39</b>	<b>6,899.85</b>	<b>188.50</b>	<b>7,088.35</b>
vi	Unpaid / Unclaimed									
	Bonds	3.93	0.00	3.93	0.52	0.00	0.52	3.84	0.00	3.84
	Interest on Bonds	14.10	0.00	14.10	14.17	0.00	14.17	8.33	0.00	8.33
	Dividend	2.63	0.00	2.63	1.43	0.00	1.43	1.72	0.00	1.72
	<b>Sub Total (III)</b>	<b>20.66</b>	<b>0.00</b>	<b>20.66</b>	<b>16.12</b>	<b>0.00</b>	<b>16.12</b>	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>
vii	Others	234.59	393.02	627.61	915.71	435.33	1,351.04	383.75	0.17	383.92
	<b>Sub Total (IV)</b>	<b>234.59</b>	<b>393.02</b>	<b>627.61</b>	<b>915.71</b>	<b>435.33</b>	<b>1,351.04</b>	<b>383.75</b>	<b>0.17</b>	<b>383.92</b>
	<b>Grand Total (I+II+III+IV)</b>	<b>7,879.18</b>	<b>5,917.82</b>	<b>13,797.00</b>	<b>8,420.17</b>	<b>6,142.58</b>	<b>14,562.75</b>	<b>7,502.42</b>	<b>548.75</b>	<b>8,051.17</b>
Notes :-										
§Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany										
*Details of Other Unsecured Taxable Bonds as on 31.03.2018 are as follows :										
	<b>Bond Series</b>	<b>Date of allotment</b>	<b>Coupon Rate</b>	<b>Date of Redemption</b>	<b>Amount (₹ in crore)</b>					
	1. PFC Bond Series 164-Gol Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00					
	2. PFC Bond Series 160-Gol Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00					
	3. PFC Bond Series 158-Gol Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00					
	4. PFC Bond Series 156-Gol Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00					
	<b>Total</b>				<b>5,000.00</b>					

## NOTE - Part A - 5

## PROVISIONS - LONG TERM AND SHORT TERM

(₹ in Crore)

Description	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	Short Term	Long Term	Total	Short Term	Long Term	Total	Short Term	Long Term	Total
<b>I. Employee Benefits</b>									
Economic Rehabilitation of Employees	0.18	1.49	1.67	0.17	1.46	1.63	0.21	1.29	1.50
Leave Encashment	1.34	19.88	21.22	1.78	28.90	30.68	2.37	24.52	26.89
Staff Welfare Expenses	6.35	4.91	11.26	3.98	4.92	8.90	1.07	21.61	22.68
Gratuity / Superannuation Fund	1.57	0.00	1.57	1.28	0.00	1.28	0.20	0.00	0.20
Proposed Pay Revision	48.94	0.00	48.94	9.94	0.00	9.94	0.00	0.00	0.00
Bonus / Incentive	11.18	0.00	11.18	5.58	0.00	5.58	9.87	0.00	9.87
<b>Sub Total (I)</b>	<b>69.56</b>	<b>26.28</b>	<b>95.84</b>	<b>22.73</b>	<b>35.28</b>	<b>58.01</b>	<b>13.72</b>	<b>47.42</b>	<b>61.14</b>
<b>II. Others</b>									
Income Tax (net)	0.00	0.00	0.00	0.00	12.05	12.05	0.00	49.49	49.49
Provision for Tax for demands under contest	0.00	129.97	129.97	0.00	118.39	118.39	0.00	95.39	95.39
CSR Expenses	0.00	0.00	0.00	100.20	0.00	100.20	102.16	0.00	102.16
Provision against Standard Assets	411.29	926.98	1,338.27	99.96	457.88	557.84	103.44	493.97	597.41
Provisions against Restructured Standard Assets	241.58	1,162.59	1,404.17	317.00	2,039.23	2,356.23	490.80	638.40	1,129.20
Interim Dividend	0.00	0.00	0.00	1,320.04	0.00	1,320.04	0.00	0.00	0.00
Proposed Final Dividend	0.00	0.00	0.00	0.00	0.00	0.00	79.20	0.00	79.20
Corporate Dividend Tax on Interim Dividend	0.00	0.00	0.00	67.18	0.00	67.18	0.00	0.00	0.00
Proposed Corporate Dividend Tax	0.00	0.00	0.00	0.00	0.00	0.00	16.12	0.00	16.12
<b>Sub Total (II)</b>	<b>652.87</b>	<b>2,219.54</b>	<b>2,872.41</b>	<b>1,904.38</b>	<b>2,627.55</b>	<b>4,531.93</b>	<b>791.72</b>	<b>1,277.25</b>	<b>2,068.97</b>
<b>Grand Total (I+II)</b>	<b>722.43</b>	<b>2,245.82</b>	<b>2,968.25</b>	<b>1,927.11</b>	<b>2,662.83</b>	<b>4,589.94</b>	<b>805.44</b>	<b>1,324.67</b>	<b>2,130.11</b>

NOTE - Part A - 6 FIXED ASSETS												
(₹ in Crore)												
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>I. Tangible Assets* :</b>												
<b>Owned Assets</b>												
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
Land (Leasehold)**	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
Buildings	24.92	0.00	0.00	24.92	10.43	0.71	0.00	0.00	0.00	11.14	13.78	14.49
EDP Equipment	15.16	3.92	2.01	17.07	13.01	2.71	0.06	0.00	1.86	13.92	3.15	2.15
Office and other equipment	17.21	3.25	4.14	16.32	14.08	2.34	0.06	0.00	3.82	12.66	3.66	3.13
Furniture & Fixtures	7.77	1.64	0.14	9.27	6.97	0.32	0.01	0.00	0.09	7.21	2.06	0.80
Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06
<b>Total</b>	<b>106.51</b>	<b>8.81</b>	<b>6.29</b>	<b>109.03</b>	<b>44.63</b>	<b>6.10</b>	<b>0.13</b>	<b>0.00</b>	<b>5.77</b>	<b>45.09</b>	<b>63.94</b>	<b>61.88</b>
<b>Previous year</b>	<b>105.13</b>	<b>4.51</b>	<b>3.13</b>	<b>106.51</b>	<b>42.57</b>	<b>4.72</b>	<b>0.00</b>	<b>0.22</b>	<b>2.88</b>	<b>44.63</b>	<b>61.88</b>	
<b>II. Intangible Assets* :</b>												
Purchased Software	8.95	0.51	0.00	9.46	8.26	0.31	0.00	0.00	0.00	8.57	0.89	0.69
<b>Previous year</b>	<b>8.77</b>	<b>0.18</b>	<b>0.00</b>	<b>8.95</b>	<b>7.42</b>	<b>0.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.26</b>	<b>0.69</b>	
<b>III. Intangible assets under development</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Previous year</b>	<b>0.16</b>	<b>0.02</b>	<b>0.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

NOTE - Part A - 6														
FIXED ASSETS														
(₹ in Crore)														
Description	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	Opening Balance as at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2016	As at 31.03.2016	As at 31.03.2015		
<b>I. Tangible Assets* :</b>														
<b>Owned Assets</b>														
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38		
Land (Leasehold)**	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87		
Buildings	24.92	0.00	0.00	24.92	8.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01		
EDP Equipment	16.03	1.87	1.96	15.94	12.42	2.78	0.00	0.00	1.86	13.34	2.60	3.61		
Office and other equipment	14.47	1.99	1.38	15.08	12.60	1.21	0.00	0.00	1.22	12.59	2.49	1.87		
Furniture & Fixtures	7.61	0.20	0.07	7.74	6.42	0.47	0.00	0.00	0.05	6.84	0.90	1.19		
Vehicles	0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13		
<b>Total</b>	<b>104.48</b>	<b>4.06</b>	<b>3.41</b>	<b>105.13</b>	<b>40.42</b>	<b>5.28</b>	<b>0.00</b>	<b>0.00</b>	<b>3.13</b>	<b>42.57</b>	<b>62.56</b>	<b>64.06</b>		
<b>Previous year</b>	<b>102.31</b>	<b>3.82</b>	<b>1.65</b>	<b>104.48</b>	<b>34.13</b>	<b>4.89</b>	<b>0.00</b>	<b>0.00</b>	<b>1.51</b>	<b>40.42</b>	<b>64.06</b>	<b>68.18</b>		
<b>II. Intangible Assets* :</b>														
Purchased Software	8.26	0.51	0.00	8.77	6.53	0.89	0.00	0.00	0.00	7.42	1.35	1.73		
<b>Previous year</b>	<b>7.78</b>	<b>0.48</b>	<b>0.00</b>	<b>8.26</b>	<b>5.33</b>	<b>1.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.53</b>	<b>1.73</b>	<b>2.45</b>		
<b>III. Intangible assets under development</b>	<b>0.00</b>	<b>0.16</b>	<b>0.00</b>	<b>0.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.16</b>	<b>0.00</b>		
<b>Previous year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		

NOTE - Part A - 7								
NON- CURRENT INVESTMENTS								
(₹ in Crore)								
Description	As at 31.03.2018			As at 31.03.2017		As at 31.03.2016		
	Number	Amount		Number	Amount	Number	Amount	
<b>Long Term Investments</b>								
(A)	Trade Investments (Face value of ₹ 10 /- each fully paid up - unless otherwise stated)							
<b>I. Equity Instruments (Quoted)</b>								
- Valued at Cost								
	PTC India Ltd.	1,20,00,000	12.00	1,20,00,000	12.00	1,20,00,000	12.00	12.00
<b>II. Equity Instruments (Unquoted)*</b>								
- Valued at Cost (Less diminution, if any, other than temporary)								
	National Power Exchange Ltd.	0	0.00	0	0.00	21,87,015	2.19	
	Less : Provision for diminution		0.00		0.00		1.06	1.13
	Power Exchange India Ltd.	32,20,000	3.22	32,20,000	3.22	32,20,000	3.22	
	Less : Provision for diminution		3.22		3.22		3.22	0.00
	Energy Efficiency Services Ltd	14,65,00,000	146.50	14,65,00,000	146.50	4,75,00,000		47.50
	Subsidiaries	10,09,50,000	100.95	10,09,50,000	100.95	10,09,50,000		100.95
<b>III. Preference Shares (Unquoted)*</b>								
- Valued at Cost								
	10% Fully Convertible Preference shares of Subsidiary	20,00,00,000	200.00	20,00,00,000	200.00	20,00,00,000		200.00
<b>IV. Others (Unquoted)*</b>								
	Units of "Small is Beautiful" Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200	6.15	61,52,200	6.15	61,52,200		6.15
<b>V. Application Money pending allotment of Equity Shares</b>								
	Energy Efficiency Services Ltd	0	0.00	0	0.00	9,90,00,000		99.00
<b>Sub Total (I)</b>			<b>465.60</b>		<b>465.60</b>			<b>466.73</b>
<b>(B) Other Investment -Bonds (Quoted) (Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)</b>								
	8000 Bonds of Andhra Bank (Previous year :10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000	800.00	18,000	1,800.00	18,000		1,800.00
<b>Sub Total (II)</b>			<b>800.00</b>		<b>1,800.00</b>			<b>1,800.00</b>
<b>Grand Total (I+II)</b>			<b>1,265.60</b>		<b>2,265.60</b>			<b>2,266.73</b>

NOTE - Part A - 8		As at 31.03.2018		As at 31.03.2017		Total	
LOANS*		As at 31.03.2018		As at 31.03.2017		Total	
Description		Current maturities (Twelve Months)	Non-Current	Current maturities (Twelve Months)	Non-Current	Total	Total
		(₹ in Crore)		(₹ in Crore)			
<b>A. Long Term Loans</b>							
<b>I Secured Loans</b>							
<b>a) Considered Good</b>							
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments		14,332.17	1,28,297.24	18,719.04	91,769.20	1,42,829.41	1,10,485.24
RTLs to Independent Power Producers		1,911.33	11,023.49	6,630.50	22,576.26	12,934.82	29,205.76
Foreign Currency Loans to Independent Power Producers		0.00	0.00	5.03	0.00	0.00	5.03
Buyer's Line of Credit		118.58	1,372.38	67.48	1,376.96	1,490.96	1,444.44
Lease Financing to Borrowers		0.00	0.00	8.62	185.70	0.00	194.32
RTLs to Equipment Manufacturers		66.03	16,428.11	18.95	25,449.62	923.80	889.00
			867.77		1,16,780.17	1,57,978.99	1,42,229.79
<b>b) Others</b>							
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA		311.41	4,704.49	2,323.18	21,064.92	5,015.90	23,385.10
Less: Provision for contingencies		32.18	500.58	328.58	2,134.66	532.76	2,463.24
RTL to Independent Power Producers - NPA		6,576.18	11,340.22	1,689.43	3,237.05	17,916.40	4,925.48
Less: Provision for contingencies		1,971.10	1,466.86	527.87	708.42	3,437.98	1,236.29
Lease Financing to Borrowers - NPA		18.04	176.28	0.00	0.00	194.32	0.00
Less: Provision for contingencies		1.80	17.63	0.00	0.00	174.89	0.00
FCL to Independent Power Producers - NPA		201.75	0.00	58.70	134.48	201.75	193.18
Less: Provision for contingencies		100.88	0.00	29.35	67.24	100.88	96.59
<b>Sub Total (i)</b>		<b>21,429.53</b>	<b>1,55,786.78</b>	<b>28,635.13</b>	<b>1,36,306.30</b>	<b>1,77,216.31</b>	<b>1,66,941.43</b>
<b>II. Un-Secured Loans</b>							
<b>a) Considered Good</b>							
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments		4,040.49	63,821.72	3,799.06	57,954.91	67,862.21	61,753.97
RTLs to Independent Power Producers		539.69	14,464.39	1,127.87	3,413.96	15,004.08	4,541.83
Buyer's Line of Credit		62.03	74.97	72.35	70.17	137.00	142.52
<b>b) Others</b>							
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA		0.00	0.00	269.33	373.83	0.00	643.16
Less: Provision for contingencies		0.00	0.00	26.93	127.20	0.00	154.13
RTL to Independent Power Producers - NPA		1,518.79	1,058.62	369.85	828.95	2,577.41	1,195.80
Less: Provision for contingencies		1,060.82	697.55	369.85	828.95	1,758.37	1,195.80
FCL to Independent Power Producers - NPA		39.23	0.00	0.00	61.91	39.23	61.91
Less: Provision for contingencies		39.23	0.00	0.00	61.91	39.23	61.91
<b>Sub Total (ii)</b>		<b>5,100.18</b>	<b>78,723.15</b>	<b>83,822.33</b>	<b>61,685.67</b>	<b>83,822.33</b>	<b>66,927.35</b>
<b>Total A (i + ii)</b>		<b>26,529.71</b>	<b>2,34,509.93</b>	<b>33,876.81</b>	<b>1,98,991.97</b>	<b>2,61,038.64</b>	<b>2,33,868.78</b>





NOTE - Part A - 8		As at		31.03.2016		(₹ in crore)	
LOANS*							
Description		Current maturities (Twelve Months)		Non-Current		Total	
<b>A. Long Term Loans</b>							
<b>I Secured Loans</b>							
<b>a) Considered Good</b>							
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments		8,882.51	1,10,318.91		1,19,201.42		
RTLs to Independent Power Producers		1,873.11	18,421.67		20,294.78		
Foreign Currency Loans to Independent Power Producers		20.58	5.14		25.72		
Buyer's Line of Credit		318.44	764.04		1,082.48		
Lease Financing to Borrowers		7.89	196.20		204.09		
RTLs to Equipment Manufacturers		18.95	11,121.48	842.35	1,30,548.31	861.30	1,41,669.79
<b>b) Others</b>							
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA		374.35	347.61		721.96		
Less: Provision for contingencies		74.87	299.48	69.52	278.09	144.39	577.57
RTL to Independent Power Producers - NPA		947.64	4,251.81		5,199.45		
Less: Provision for contingencies		202.61	577.38	3,674.43	779.99	4,419.46	
FCL to Independent Power Producers - NPA		35.90	201.79		237.69		
Less: Provision for contingencies		10.77	25.13	60.54	141.25	71.31	166.38
<b>Sub Total (I)</b>			<b>12,191.12</b>		<b>1,34,642.08</b>		<b>1,46,833.20</b>

<b>II. Un-Secured Loans</b>									
<b>a) Considered Good</b>									
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	19,378.04	56,435.04					75,813.08	
	RTLs to Independent Power Producers	1,836.77	7,705.09					9,541.86	
	Foreign Currency Loans to State Power Utilities	14.16	0.00					14.16	
	Buyer's Line of Credit	202.06	99.07					301.13	
	RTLs to Equipment Manufacturers	0.00	21,431.03	0.00	64,239.20			0.00	85,670.23
<b>b) Others</b>									
	RTL to Independent Power Producers - NPA	41.56	1,064.35					1,105.91	
	Less : Provision for contingencies	41.56	329.14	0.00	735.21			370.70	735.21
	FCL to Independent Power Producers - NPA	0.00	22.04					22.04	
	Less: Provision for contingencies	0.00	22.04	0.00	0.00			22.04	0.00
	<b>Sub Total (I)</b>		<b>21,431.03</b>		<b>64,974.41</b>			<b>86,405.44</b>	
	<b>Total A (I + II)</b>		<b>33,622.15</b>		<b>1,99,616.49</b>			<b>2,33,238.64</b>	
<b>B. Bonds</b>									
<b>I Un-secured Bonds / Debentures</b>									
	Bonds / Debentures from State Power		0.00		390.15				390.15
	Bonds / Debentures from Independent Power Producers		0.00		29.44				29.44
	<b>Total B</b>		<b>0.00</b>		<b>419.59</b>			<b>419.59</b>	
<b>C. Short Term Loans</b>									
<b>I Secured Loans - Considered Good</b>									
	Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies		1,092.51		0.00				1,092.51
	<b>Sub Total (I)</b>		<b>1,092.51</b>		<b>0.00</b>			<b>1,092.51</b>	
<b>II Un-Secured Loans - Considered Good</b>									
	Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies		2,180.07		0.00				2,180.07
	Working Capital Loans to Independent Power Producers		369.00		0.00				369.00
	Others	231.97	0.00					231.97	
	Less : Provision for contingencies	69.59	162.38	0.00	0.00			69.59	162.38
	<b>Sub Total (II)</b>		<b>2,711.45</b>		<b>0.00</b>			<b>2,711.45</b>	
	<b>Total C (I + II)</b>		<b>3,803.96</b>		<b>0.00</b>			<b>3,803.96</b>	
	<b>Grand Total (A+B+C)</b>		<b>37,426.11</b>		<b>2,00,036.08</b>			<b>2,37,462.19</b>	

## NOTE - Part A - 9

## OTHER ASSETS

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current		Non-Current		Total		Current		Non-Current		Total	
<b>A LOANS &amp; ADVANCES</b>												
<b>I Loans (considered good)</b>												
a) to Employees (Secured)	2.09		9.79		11.88		2.25		11.94		14.19	
b) to Employees (Unsecured)	10.19	12.28	45.53	55.32	55.72	67.60	9.76	12.01	48.22	60.16	57.98	72.17
<b>II Advances (Unsecured considered good)</b>												
Advances recoverable in cash or in kind or for value to be received												
a) to Subsidiaries (including interest recoverable there on)	324.73		147.17		471.90		262.04		133.72		395.76	
b) to Employees	1.06		0.01		1.07		0.82		0.01		0.83	
c) Prepaid Expenses	2.04		0.00		2.04		1.95		0.00		1.95	
d) Others	294.03		156.77		450.80		1,226.78		6.31		1,233.09	
e) Advance Income Tax and Tax Deducted at Source (net)	0.00		368.94		368.94		0.00		162.08		162.08	
f) Tax deposited on demands under contest	73.11		138.13		211.24		33.16		183.79		216.95	
g) Security Deposits	0.55	695.52	0.30	811.32	0.85	1,506.84	0.42	1,525.17	0.38	486.29	0.80	2,011.46
<b>B Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)</b>												
a) Principal	0.00		5,000.00		5,000.00		0.00		5,000.00		5,000.00	
b) Interest	38.21	38.21	0.00	5,000.00	38.21	5,038.21	38.21	38.21	0.00	5,000.00	38.21	5,038.21
<b>C OTHER ASSETS</b>												
<b>I Accrued but not due :</b>												
a) Interest on Loan Assets	3,967.99		0.00		3,967.99		3,723.25		0.00		3,723.25	
b) Interest on Loans to Employee	0.76		25.07		25.83		0.60		22.04		22.64	
c) Interest on Deposits and Investments	9.93	3,978.68	0.00	25.07	9.93	4,003.75	30.33	3,754.18	0.00	22.04	30.33	3,776.22
<b>II Accrued and due :</b>												
Incomes accrued & due on loans	82.22	82.22	0.00	0.00	82.22	82.22	167.52	167.52	0.00	0.00	167.52	167.52
<b>D Loans &amp; Advances (Unsecured - Others)</b>												
Non Performing Assets (NPAs)	2.51		0.00		2.51		16.40		0.00		16.40	
Less : Provision for contingencies	2.51	0.00	0.00	0.00	2.51	0.00	16.40	0.00	0.00	0.00	16.40	0.00
<b>Total</b>		<b>4,806.91</b>		<b>5,891.71</b>		<b>10,698.62</b>		<b>5,497.09</b>		<b>5,568.49</b>		<b>11,065.58</b>

NOTE - Part A - 9							
OTHER ASSETS							
							(₹ in Crore)
Description		As at 31.03.2016					
		Current		Non-Current		Total	
<b>A LOANS &amp; ADVANCES</b>							
<b>I Loans (considered good)*</b>							
	a)	to Employees (Secured)	2.33		14.33		16.66
	b)	to Employees (Unsecured)	8.48	10.81	46.68	61.01	71.82
<b>II Advances (Unsecured considered good)</b>							
Advances recoverable in cash or in kind or for value to							
	a)	to Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C - Other Notes on Accounts)	195.58		118.19		313.77
	b)	to Employees*	0.84		0.01		0.85
	c)	Prepaid Expenses	2.96		0.00		2.96
	d)	Others	172.85		9.34		182.19
	e)	Advance Income Tax and Tax Deducted at Source (net)	0.00		58.10		58.10
	f)	Tax deposited on demands under contest	28.58		144.47		173.05
	g)	Security Deposits	3.22	404.03	0.37	330.48	734.52
<b>B Amount Recoverable on account of Bonds fully</b>							
	a)	Principal	0.00		0.00		0.00
	b)	Interest	0.00		0.00		0.00
	c)	Expenses recoverable	0.00		0.00		0.00
<b>C OTHER ASSETS</b>							
<b>I Accrued but not due :</b>							
	a)	Interest on Loan Assets	4,807.00		0.00		4,807.00
	b)	Other charges	11.92		0.00		11.92
	b)	Interest on Loans to Employee	0.50		18.87		19.37
	c)	Interest on Deposits and Investments	28.92	4,848.34	0.00	18.87	28.92 4,867.21
<b>II Accrued and due :</b>							
		Incomes accrued & due on loans	777.93	777.93	0.00	0.00	777.93 777.93
<b>D Loans &amp; Advances (Unsecured - Others)</b>							
		Non Performing Assets (NPAs)	1.17		0.00		1.17
		Less : Provision for contingencies	1.01	0.16	0.00	0.00	1.01 0.16
<b>Total</b>			<b>6,041.27</b>		<b>410.36</b>		<b>6,451.64</b>

NOTE - Part A -10										
CURRENT INVESTMENTS										
(₹ in Crore)										
Description	As at 31.03.2018				As at 31.03.2017				As at 31.03.2016	
	Number	Amount			Number	Amount			Number	Amount
I. Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up)										
- Valued for category at lower of cost or market value										
PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02			4,39,349	2.28			4,89,349	2.54
REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50			95,904	0.50			47,952	0.50
Coal India Ltd. (Cost Price ₹ 358.58 per Share)	1,39,64,530	500.74			1,39,64,530	500.74			1,39,64,530	500.74
NHPC Limited (Cost Price ₹ 21.78 per Share)	26,05,42,051	567.50			26,05,42,051	567.50				0.00
Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76			0.00	1,071.02		93.04	410.74
II. Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹ 10/- each fully paid up)										
- Valued in accordance with Para - 5.2 of Note Part - B - Significant Accounting Policies										
Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10			13,18,46,779	66.10				0.00
Less : Provision for diminution on Equity Instruments (Un-quoted)		66.10	0.00			66.10	0.00			0.00
GMR Chhattisgarh Energy Ltd.	27,50,00,000	275.00			27,50,00,000	275.00				0.00
Less : Provision for diminution on Equity Instruments (Un-quoted)		275.00	0.00			20.49	254.51			0.00
<b>Total</b>			<b>1,070.76</b>				<b>1,325.53</b>			<b>410.74</b>

NOTE - Part A -11							
CASH AND BANK BALANCES							
(₹ in Crore)							
Description		As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
<b>I Cash and Cash Equivalents:</b>							
i) Balances in current accounts with:							
	Reserve Bank of India	0.02		0.02		0.05	
	Scheduled Banks	4.74	4.76	42.84	42.86	28.01	28.06
ii) Cheques in hand							
			0.00		0.00		0.00
iii) Imprest with postal authority							
			0.00		0.00		0.00
iv) Fixed Deposits with Scheduled Banks (original maturity up to 3 months)							
			532.95		3,071.88		0.00
<b>Sub Total (I)</b>			<b>537.71</b>		<b>3,114.74</b>		<b>28.06</b>
<b>II Earmarked Balances:</b>							
i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.							
			11.04		458.41		6.41
ii) IPDS / R-APDRP							
	Balances in current account with scheduled banks		4.45		0.00		13.01
	Fixed Deposits with Banks		0.00		0.00		0.00
iii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)							
			0.00		0.00		30.97
<b>Sub Total (II)</b>			<b>15.49</b>		<b>458.41</b>		<b>50.39</b>
<b>Grand Total (I+II)</b>			<b>553.20</b>		<b>3,573.15</b>		<b>78.45</b>

NOTE - Part A - 12							
REVENUE FROM OPERATIONS							
(₹ in Crore)							
Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016		
<b>I. Interest</b>							
Interest on Loans	26,203.32		26,587.14		27,359.13		
Less : Rebate for Timely Payment to Borrowers	381.37		316.65		297.42		
Less : Post COD Timely Payment Rebate	7.81	25,814.14	22.39	26,248.10	2.56	27,059.15	
Lease income		6.72		21.98		20.29	
<b>Sub Total (I)</b>		<b>25,820.86</b>		<b>26,270.08</b>		<b>27,079.44</b>	
<b>II. Other Operating income</b>							
Income from surplus funds		56.70		112.37		91.26	
Interest received on advances given to subsidiaries		17.87		12.10		11.73	
Profit on sale of Bonds of Borrowers		0.00		0.00		9.05	
Interest on bonds		196.80		196.64		28.90	
<b>Sub Total (II)</b>		<b>271.37</b>		<b>321.11</b>		<b>140.94</b>	
<b>III. Other Financial Services</b>							
Prepayment Premium on Loans		179.10		201.77		170.46	
Upfront fee on Loans		46.03		37.87		18.72	
Management, Agency & Guarantee Fee		64.47		48.13		46.42	
Commitment charges on Loans		2.25		5.17		5.06	
Fee on account of Gol Schemes:							
Nodal Agency Fee - R-APDRP	0.65		2.24		0.66		
Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40	34.51	35.17	
<b>Sub Total (III)</b>		<b>322.24</b>		<b>316.34</b>		<b>275.83</b>	
<b>Grand Total (I+II+III)</b>		<b>26,414.47</b>		<b>26,907.53</b>		<b>27,496.21</b>	



<b>NOTE - Part A - 13</b>			
<b>OTHER INCOME</b>			
(₹ in Crore)			
Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
Dividend Income	146.23	99.11	48.10
Profit on sale of Fixed Assets	0.00	0.03	0.03
Profit on sale of Non-Current Investments	0.00	0.00	0.05
Profit on sale of Current Investments	0.78	0.50	0.44
Interest on Income Tax Refund	4.78	3.88	9.10
Miscellaneous Income	6.56	7.40	10.08
Excess Liabilities & Provisions written back	164.92	0.12	0.30
<b>Total</b>	<b>323.27</b>	<b>111.04</b>	<b>68.10</b>

<b>NOTE - Part A - 14</b>						
<b>FINANCE COSTS</b>						
(₹ in Crore)						
Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016	
<b>I. Interest</b>						
On Bonds	16,040.21		15,592.33		15,071.06	
On Loans	318.64		322.15		644.34	
GOI on Interest Subsidy Fund	9.32		9.06		8.86	
Financial Charges on Commercial Paper	482.71		389.72		277.43	
Swap Premium ( Net )	(34.95)	16,815.93	(23.42)	16,289.84	1.65	16,003.34
<b>II. Other Charges</b>						
Commitment & Agency Fee	0.39		0.65		0.67	
Guarantee, Listing & Trusteeship Fee	2.17		2.17		2.13	
Management Fee on Foreign Currency Loans	4.29		0.01		37.82	
Bank / Other Charges	0.00		0.00		0.00	
Interest paid on advances received from subsidiaries	5.93	12.78	6.35	9.18	5.11	45.73
<b>III. Net Translation / Transaction Exchange Loss (+) / Gain (-)</b>		243.69		311.82		424.74
<b>IV. Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)</b>		132.45		(178.15)		0.00
<b>Total</b>		<b>17,204.85</b>		<b>16,432.69</b>		<b>16,473.81</b>

<b>NOTE - Part A - 15</b>			
<b>BORROWING EXPENSES</b>			
			(₹ in Crore)
Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Application Money	0.03	0.00	11.51
Credit Rating Fee	4.96	4.65	4.20
Other Issue Expenses	15.47	14.04	11.23
Stamp Duty Fee	7.70	7.89	6.50
<b>Total</b>	<b>28.16</b>	<b>26.58</b>	<b>33.44</b>

<b>NOTE - Part A - 16</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
<b>(₹ in Crore)</b>			
<b>Description</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
Salaries, Wages and Bonus	130.59	83.41	65.30
Contribution to Provident and other funds	16.90	13.94	11.81
Staff Welfare	13.84	12.01	8.61
Rent for Residential accommodation of employees	5.45	5.61	4.65
<b>Total</b>	<b>166.78</b>	<b>114.97</b>	<b>90.37</b>

<b>NOTE - Part A - 17</b>			
<b>OTHER EXPENSES</b>			
(₹ in Crore)			
Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
Office Rent	0.50	0.50	0.50
Electricity & Water charges	1.68	1.50	1.56
Insurance	0.18	0.16	0.12
Repairs & Maintenance	4.50	3.30	2.85
Stationery & Printing	2.11	1.88	1.64
Travelling & Conveyance	16.27	10.04	8.15
Postage, Telegraph & Telephone	2.49	2.25	1.87
Professional & Consultancy charges	1.92	2.02	3.51
Miscellaneous Expenses	31.37	39.97	18.83
Loss on sale of Fixed Assets	0.42	0.19	0.17
Loss on Disposal of Investment	0.00	0.98	0.00
Auditors' Remuneration	0.84	0.60	0.77
Service Tax	1.44	2.58	9.26
Rates & Taxes	1.55	1.41	0.88
Goods & Services Tax	5.45	0.00	0.00
Contribution to PMC (MoP)	0.28	0.41	0.51
Others - RAPDRP Expenses	0.00	0.00	0.00
<b>Total</b>	<b>71.00</b>	<b>67.79</b>	<b>50.62</b>

<b>Note - Part A -18</b>						
<b>PRIOR PERIOD ITEMS (NET)</b>						
(₹ in Crore)						
Description	Year ended 31.03.2018		Year ended 31.03.2017		Year ended 31.03.2016	
<b>Prior Period Expenses :</b>						
Interest & other Charges	0.00		0.24		-	
Personnel & Administration Expenses - Others	0.06		0.77		0.10	
Depreciation	0.00	0.06	0.22	1.23	-	0.10
<b>Less: Prior Period Income :</b>						
Interest Income	0.00		(0.20)		-	
Other Income	(0.01)	(0.01)	(0.04)	(0.24)	2.23	2.23
<b>Total</b>		<b>0.07</b>		<b>1.47</b>		<b>(2.13)</b>

**1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

**(b) USE OF ESTIMATES**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**SIGNIFICANT ACCOUNTING POLICIES**

**2. RECOGNITION OF INCOME/EXPENDITURE**

- 2.1** Income and expenses (except as stated below) are accounted for on accrual basis.
- 2.1.1** As per applicable RBI directions, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.
- 2.1.2** Income under the head carbon credit is accounted for in the year in which it is received by the Company.
- 2.1.3** As per applicable RBI directions, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.
- 2.2** Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3** Discount / financial charges / interest on the commercial papers, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.
- 2.4** Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.
- 2.5** Expenditure on issue of shares is charged to the securities premium account.
- 2.6** As per applicable RBI directions, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- 2.7** Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.8** Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

### 3. TANGIBLE ASSETS/DEPRECIATION

- 3.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 3.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 3.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.
- 3.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

### 4. INTANGIBLE ASSETS / AMORTIZATION

- 4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

### 5. INVESTMENTS

- 5.1 As per applicable RBI directions, quoted current investments are valued category-wise, at lower of cost or market value.
- 5.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.
- 5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

### 6. ASSET CLASSIFICATION AND PROVISIONS

#### 6.1 BASIS OF ASSET CLASSIFICATION

Loans & other credit facilities and lease assets are classified into the following classes, namely:

- 6.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.
- 6.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not
31 <sup>st</sup> March 2018 and	Overdue for 3 months or	NPA for a period not exceeding 12	NPA for a period exceeding 12	



thereafter	more	months	months	written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
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(ii) For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset is classified as NPA if it remains overdue for a period of 3 months or more.

## 6.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit facilities as under:

S. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%
4.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
5.	Loss Asset if not written off	100%

6.2.2 Provision on hire purchase and lease assets is as per para 13(2) of the “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” as amended from time to time.

6.2.3 Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

## **7. FOREIGN CURRENCY TRANSACTIONS**

- 7.1** The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:
- (i) Expenses and income in foreign currency; and
  - (ii) Amounts borrowed and lent in foreign currency.
- 7.2** The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:
- (i) Foreign currency loan liabilities.
  - (ii) Funds kept in foreign currency account with banks abroad.
  - (iii) Contingent liabilities in respect of guarantees given in foreign currency.
  - (iv) Income earned abroad but not remitted / received in India.
  - (v) Loans granted in foreign currency.
  - (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.
- 7.3** In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **8. DERIVATIVE TRANSACTIONS**

- 8.1** Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.
- 8.2** These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.
- 8.3** Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.
- 8.4** Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

## **9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 9.1** The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
- 9.1.1** Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
- 9.1.2** The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **10. INTEREST SUBSIDY FUND**

- 10.1** Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on

respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

- 10.2** Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 11.1** Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".
- 11.2** Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 11.3** Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 11.4** Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 11.5** The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

## **12. EMPLOYEE BENEFITS**

### **12.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

### **12.2 OTHER EMPLOYEE BENEFITS**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

## **13. INCOME TAX**

- 13.1** Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 13.2** Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent

difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

#### **14. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

#### **15. CASH AND CASH EQUIVALENTS**

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

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**1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

**(b) USE OF ESTIMATES**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**SIGNIFICANT ACCOUNTING POLICIES**

**2. RECOGNITION OF INCOME/EXPENDITURE**

**2.1** Income and expenses (except as stated below) are accounted for on accrual basis.

**2.1.1** In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

**2.1.2** Income under the head carbon credit is accounted for in the year in which it is received by the Company.

**2.1.3** In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

**2.2** Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

**2.3** Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

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

**2.5** In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

**2.6** Recoveries in borrower accounts are appropriated as per the loan agreements.

**2.7** Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

**3. TANGIBLE ASSETS/DEPRECIATION**

- 3.1** Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 3.2** Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 3.3** Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.
- 3.4** Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

#### **4. INTANGIBLE ASSETS / AMORTIZATION**

- 4.1** Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

#### **5. INVESTMENTS**

- 5.1** In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.
- 5.2** Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.
- 5.3** Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

#### **6. ASSET CLASSIFICATION AND PROVISIONS**

##### **6.1 BASIS OF ASSET CLASSIFICATION**

Loans & other credits and lease assets are classified into the following classes, namely:

- 6.1.1** Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.
- 6.1.2** (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

				affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
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(ii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances.

(iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

## 6.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 6.3)	0.35%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

6.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

6.2.3 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

## 6.3 PROVISIONING AGAINST RESTRUCTURED LOANS

6.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

- new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
- all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

**6.3.2** RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

**6.4** For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

## **7. FOREIGN CURRENCY TRANSACTIONS**

**7.1** The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

- (i) Expenses and income in foreign currency; and
- (ii) Amounts borrowed and lent in foreign currency.

**7.2** The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

- (i) Foreign currency loan liabilities.
- (ii) Funds kept in foreign currency account with banks abroad.
- (iii) Contingent liabilities in respect of guarantees given in foreign currency.
- (iv) Income earned abroad but not remitted / received in India.
- (v) Loans granted in foreign currency.
- (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

**7.3** In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

**7.4** In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **8. DERIVATIVE TRANSACTIONS**

**8.1** Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

**8.2** These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

**8.3** Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.



- 8.4** Derivative contracts not covered by Accounting Standard 11 and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

## **9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 9.1** The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
- 9.1.1** Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
- 9.1.2** The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **10. INTEREST SUBSIDY FUND**

- 10.1** Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.
- 10.2** Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 11.1** Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".
- 11.2** Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 11.3** Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 11.4** Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 11.5** The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

## **12. EMPLOYEE BENEFITS**

### **12.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

## **12.2 OTHER EMPLOYEE BENEFITS**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

## **13. INCOME TAX**

- 13.1** Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 13.2** Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

## **14. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

## **15. CASH AND CASH EQUIVALENTS**

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

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**SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

**2. RECOGNITION OF INCOME/EXPENDITURE**

**2.1** Income and expenses (except as stated below) are accounted for on accrual basis.

**2.1.1** In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

**2.1.2** Income under the head carbon credit is accounted for in the year in which it is received by the Company.

**2.2** Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

**2.3** Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

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

**2.5** Income from dividend is accounted when the right to receive has been established i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.

**2.6** Recoveries in borrower accounts are appropriated as per the loan agreements.

**2.7** Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

**3. TANGIBLE ASSETS/DEPRECIATION**

**3.1** Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

**3.2** Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

**3.3** Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.

3.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

#### 4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

#### 5. INVESTMENTS

5.1 Current investments are valued individually at lower of cost or fair value.

5.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

#### 6. Asset Classification and Provisions

##### 6.1 Asset Classification

Loans & other credits and lease assets are classified into the following classes, namely:

6.1.1 Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

6.1.2 (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2016	Overdue for 5 months or more	NPA for a period not exceeding 16 months	NPA for a period exceeding 16 months	Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	As per RBI norms.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

##### 6.2 Provisioning against Standard Loans and NPAs

6.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

S. No.	Description	Rate of Provision as at 31.03.2016
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1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 6.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

**6.2.2** As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

**6.2.3** A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.

**6.2.4** Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

### **6.3 Provisioning against Restructured Loans**

**6.3.1** RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

**6.3.2** For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:

- a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
- b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

**6.4** For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.

## **7. FOREIGN CURRENCY TRANSACTIONS**

- 7.1** The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:
- (i) Expenses and income in foreign currency; and
  - (ii) Amounts borrowed and lent in foreign currency.
- 7.2** The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:
- (i) Foreign currency loan liabilities.
  - (ii) Funds kept in foreign currency account with banks abroad.
  - (iii) Contingent liabilities in respect of guarantees given in foreign currency.
  - (iv) Income earned abroad but not remitted / received in India.
  - (v) Loans granted in foreign currency.
  - (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.
- 7.3** In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.
- 7.4** In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **8. DERIVATIVE TRANSACTIONS**

- 8.1** Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.
- 8.2** These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.
- 8.3** Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

## **9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 9.1** The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
- 9.1.1** Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
- 9.1.2** The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **10. INTEREST SUBSIDY FUND**

- 10.1** Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.
- 10.2** Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 11.1** Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".
- 11.2** Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 11.3** Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 11.4** Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 11.5** The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

## **12. EMPLOYEE BENEFITS**

### **12.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

### **12.2 Other Employee Benefits**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

## **13. INCOME TAX**

- 13.1** Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable

certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 13.2** Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

#### **14. CASH FLOW STATEMENT**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

#### **15. CASH AND CASH EQUIVALENTS**

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

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**FY 2017-18**  
**Note Part – C**  
**Other Notes on Accounts**

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	153.75	190.11
(ii)	Claims against the Company not acknowledged as debts	-	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,694.60	1,640.56
	<b>Total</b>	<b>1,848.35</b>	<b>1,830.67</b>

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 165.39 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

2.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for is ₹473.77 crore as on 31.03.2018 (Previous year Nil).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39 <sup>§</sup>	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97*	118.39

\* Pertaining to Assessment Year 2001-02 to 2015-16.

§ Pertaining to Assessment Year 2001-02 to 2014-15.

4. A. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.
- B. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.
- As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2018.

5. A. Foreign currency expenditure and earning:

(₹ in crore)			
S. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	0.30	-
(iv)	Training Expenses	0.35	0.29
<b>B.</b>	<b>Earning in foreign currency</b>	-	-

\*including withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in crore	Millions in respective currency	₹ in crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
<b>Total</b>		<b>8,940.05</b>		<b>6,405.68</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore).

- D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Shri Rajeev Sharma, CMD and CEO	with effect from 01.10.2016
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial)	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 3.45 crore (Previous year ₹ 3.50 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.50 crore).

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2018)	% of ownership as at 31.03.2018	Amount as at 31.03.2018 (₹ in crore)	Amount as at 31.03.2017 (₹ in crore)
<b>(a)</b>	<b>Subsidiary Companies <sup>(i)</sup></b>					
(i)	PFC Consulting Limited (PFCL) <sup>(ii)</sup>	09.04.2008	50,000	100%	0.05	0.05
(ii)(a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) <sup>(iii)</sup>	29.07.2011	50,000	100%	100.00	100.00
		08.12.2011	44,50,000			
		29.03.2012	4,90,000			
		21.03.2013	2,10,00,000			
		18.06.2013	1,36,00,000			
(ii)(b)	PFCGEL (Preference Shares) <sup>(iii)</sup>	21.03.2013	8,40,00,000	100%	200.00	200.00
		18.06.2013	5,44,00,000			
		07.10.2013	6,16,00,000			
(iii)	PFC Capital Advisory Services Limited (PFCCAS) <sup>(iii)</sup>	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP) <sup>(iv)</sup>	15.04.2008	15,000	100%	0.05	0.05
		11.10.2011	35,000			
	<b>Sub-Total (A)</b>				<b>300.20</b>	<b>300.20</b>
<b>(b)</b>	<b>Subsidiary Companies promoted as SPVs for UMPPs <sup>(v)</sup></b>					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited (CSPL) <sup>(vi)</sup>	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited (TAMPL) <sup>(vii)</sup>	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05

(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50,000	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	0.05
	<b>Sub-Total (B)</b>				<b>0.75</b>	<b>0.75</b>
<b>(c)</b>	<b>Joint venture Companies<sup>(i)</sup></b>					
	Energy Efficiency Services Limited (EESL)	21.01.2010	6,25,000	31.71%	146.50	146.50
		26.03.2013	2,18,75,000			
		21.08.2015	2,50,00,000			
		25.04.2016	9,90,00,000			
	<b>Sub-Total (C)</b>				<b>146.50</b>	<b>146.50</b>
	<b>TOTAL <sup>(viii)</sup> (A+ B+ C)</b>				<b>447.45</b>	<b>447.45</b>

- (i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.
- (ii) Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCL is under progress.
- (iii) In continuation to decision taken in meeting dated 09<sup>th</sup> August, 2016, Board of Directors of the Company in its meeting held on 29<sup>th</sup> September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.
- (iv) Decision of voluntary winding up of PECAP is under consideration of MoP, Gol.
- (v) Subsidiary companies were incorporated as SPVs under mandate from the Gol for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not required to be consolidated in terms of paragraph 11 of Accounting Standard-21.
- (vi) MoP vide its OM dated 16<sup>th</sup> January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.
- (vii) MoP vide its OM dated 21<sup>st</sup> June, 2016 has conveyed its approval for the winding up of TAMPL. The related proceedings are under way.
- (viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2018 and income and expenses for the period ending 31.03.2018 in respect of EESL (Company's joint venture entity), based on unaudited provisional financial statements are given below:

(₹ in crore)			
S.No.	Description	As at 31.03.2018	As at 31.03.2017
	<b>Ownership (%)</b>	<b>31.71</b>	<b>31.71</b>
A	Assets		
	Non-Current assets	774.52	336.90
	Current assets	769.10	510.19
	<b>Total</b>	<b>1543.62</b>	<b>847.09</b>
B	Liabilities		
	Non-Current Liabilities	570.30	263.59
	Current Liabilities	770.15	399.32
	<b>Total</b>	<b>1340.45</b>	<b>662.91</b>
C	Contingent liabilities	68.65	11.74
D	Capital commitments	83.64	103.95
E	<b>Income &amp; Expenses</b>	<b>For the Year ended</b>	
		<b>31.03.2018</b>	<b>31.03.2017</b>
	Total Income	461.78	410.10
	Total Expenses	438.66	386.08

## 8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
PFC Green Energy Limited	0.12	0.11	0.12	0.36
PFC Capital Advisory Services Limited	0.00	0.03	0.03	0.20
Cheyur Infra Limited	0.06	0.04	0.06	0.04
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
PFC Consulting Limited	0.00	0.00	0.84	0.79
<b>Total*</b>	<b>471.90</b>	<b>395.76</b>	<b>472.94</b>	<b>398.63</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Consulting Limited	6.50	1.06	6.50	6.40
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
PFC Green Energy Limited	0.00	0.00	0.00	0.51
PFC Capital Advisory Services Limited	0.00	0.04	0.04	0.04
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
<b>Total</b>	<b>465.51</b>	<b>442.42</b>	<b>466.18</b>	<b>448.27</b>

(iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2018	Outstanding as at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Green Energy Limited	268.41	252.69	275.06	255.06

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

Description	(₹ in Crore)	
	As at 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
<b>Unearned finance income</b>	<b>133.83</b>	<b>141.47</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
<b>Total</b>	<b>328.15</b>	<b>335.79</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
<b>Total</b>	<b>194.32</b>	<b>194.32</b>

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.45 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at Nil as on 31.03.2018 (Previous year ₹ 3.74 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2018 (Previous year ₹ 327.71 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.45 crore (Previous year ₹ 5.61 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 0.50 crore (Previous year ₹ 0.50 crore) are shown as office rent in Note Part A 17 – Other Expenses.

10. Implementation of Gol Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

- (i) The Company claimed subsidy from Gol at net present value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.
- (ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, Gol which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following :-

Description	(₹ in crore)	
	Year ended 31.03.2018	Year ended 31.03.2017
Opening Balance	109.69	107.47
Add : Received during the period	-	-
: Interest credited during the period	9.32	9.06
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	3.01	6.84
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>116.00</b>	<b>109.69</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

- (i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the Gol under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the Gol on receipt from borrowers.

The amount recoverable from borrowers & payable to Gol under R – APDRP scheme stands at ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

- (ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).



(C) Integrated Power Development Scheme (IPDS)

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

Amount of GoI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

11. (a) As regards RBI Credit Concentration Norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

(b) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.

12. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	228,107.39	780.43	1,338.27	159,382.44	(39.57)	557.84
(ii)	Restructured Standard Assets	24,104.70*	(952.06)	1,404.17	55,440.62	1,227.03	2,356.23
(iii)	Sub-standard Assets	17,350.52	(640.11)	1,735.05	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.05	944.20	3,652.45	6,677.81	1,986.27	2,708.25
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
<b>(B) Other Assets and provision thereon</b>							
(i)	Other Assets - NPA	2.51	(13.89)	2.51	16.40	15.39	16.40
	<b>Grand Total</b>	<b>2,78,917.27</b>	<b>560.83</b>	<b>8,847.55</b>	<b>245,541.67</b>	<b>5,101.08</b>	<b>8,286.72</b>

\* ₹ 4,937.59 crore in private sector and ₹ 19,167.11 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 35,994.70 crore in Govt. sector).

13. In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).

14. Basis of secured / un-secured categorization of loan assets:

a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.

b) In all other cases, secured / un-secured categorization is done on the basis of security status obtained from the lead lender.



15. Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1 <sup>st</sup> April, 2017	No. of borrowers	Nil					21	2	7	-	30	21	2	7	-	30
		Amount outstanding	Nil					55,440.62	15,001.83	4,768.24	-	75,210.69	55,440.62	15,001.83	4,768.24	-	75,210.69
		Provision Thereon	Nil					2,356.23	1,500.18	1,662.61	-	5,519.02	2,356.23	1,500.18	1,662.61	-	5,519.02
2	Categorised as restructured during the year	No. of borrowers	Nil					5	-	-	-	5	5	-	-	-	5
		Amount outstanding	Nil					709.42	-	-	-	709.42	709.42	-	-	-	709.42
		Provision Thereon	Nil					35.47	-	-	-	35.47	35.47	-	-	-	35.47
3	Up gradations to restructured standard category during the year	No. of borrowers	Nil					2	(2)	-	-	-	2	(2)	-	-	-
		Amount outstanding	Nil					12,016.83	(15,001.83)	-	-	(2,985.00)	12,016.83	(15,001.83)	-	-	(2,985.00)
		Provision Thereon	Nil					600.84	(1,500.18)	-	-	(899.34)	600.84	(1,500.18)	-	-	(899.34)
4	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY (including Pre-payment of loan)	No. of borrowers	Nil					(10)	-	-	-	(10)	(10)	-	-	-	(10)
		Amount outstanding	Nil					(34,774.80)	-	-	-	(34,774.80)	(34,774.80)	-	-	-	(34,774.80)
		Provision Thereon	Nil					(1,481.84)	-	-	-	(1,481.84)	(1,481.84)	-	-	-	(1,481.84)
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil					(6)	4	2	-	-	(6)	4	2	-	-
		Amount outstanding	Nil					(10,558.39)	9,069.61	2,121.12	-	632.33	(10,558.39)	9,069.61	2,121.12	-	632.33
		Provision Thereon	Nil					(448.73)	906.96	424.22	-	882.45	(448.73)	906.96	424.22	-	882.45
6	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding	Nil					0.00	-	-	-	-	0.00	-	-	-	-
		Provision Thereon	Nil					0.00	-	-	-	-	0.00	-	-	-	-
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers	Nil					-	-	(1)	-	(1)	-	-	(1)	-	(1)
		Amount outstanding	Nil					0.00	-	(615.67)	-	(615.67)	0.00	-	(615.67)	-	(615.67)
		Provision Thereon	Nil					0.00	-	(382.55)	-	(382.55)	0.00	-	(382.55)	-	(382.55)
8	Restructured accounts as on 31 <sup>st</sup> March, 2018	No. of borrowers	Nil					12	4	8	-	24	12	4	8	-	24
		Amount outstanding	Nil					24,104.70	9,069.61	6,697.52	-	39,871.83	24,104.70	9,069.61	6,697.52	-	39,871.83
		Provision Thereon	Nil					1,404.17	906.96	2,469.68	-	4,780.81	1,404.17	906.96	2,469.68	-	4,780.81

16. Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest / income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).

17. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 20 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities as per Company rules. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2018 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

## i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Interest cost on benefit obligation	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	0.00 (0.00)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain) / loss recognised in the year	-10.80 (-0.23)	5.46 (2.84)	3.65 (2.41)
Expenses recognised in Statement of Profit & Loss Account*	1.50 (1.41)	6.67 (4.04)	9.56 (7.49)

\*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

## ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2018 (i)	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	0.00 (0.00)
Difference (ii) – (i)	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)
Net asset / (liability) recognized in the Balance Sheet	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)

## iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	22.96 (20.74)	21.82 (17.83)	30.68 (26.89)
Interest cost	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Current service cost	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Benefits paid	-0.82 (-0.98)	-2.36 (-1.09)	-19.02 (-3.70)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain)/loss on obligation	-10.8 (-0.29)	5.69 (2.87)	3.65 (2.41)
Present value of the defined benefit obligation as at 31.03.2018	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)

## iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	0.00 (0.00)
Contributions by employer	1.22	4.07	0.00

	(0.47)	(17.93)	(0.00)
Benefit paid	-0.82	-1.71	0.00
	(-0.98)	(-0.83)	(0.00)
Actuarial gain / (loss)	-	0.24	0.00
	(-0.06)	(0.04)	(0.00)
Fair value of plan assets as at 31.03.2018	24.07	22.2	0.00
	(21.74)	(18.15)	(0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)		
Particulars	PRMS	Service and Interest Cost
Cost increase by 1%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.07 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (previous year ₹ 0.05 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

(₹ in crore)			
S. No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	<b>Total</b>	<b>23.55</b>	<b>21.12</b>

<sup>(1)</sup>As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
Future salary increase*	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2018 are as follows:-

(₹ in crore)			
S.No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	<b>Total</b>	<b>21.71</b>	<b>17.58</b>

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
Future salary increase*	6.00%

\*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.57	22.95	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.50)	(1.21)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

\*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	21.22	30.68	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)

(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

## 18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed during the year ended 31.03.2018. On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities by the Company during the year.

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	149.21	166.15
Carry forward from previous year	100.20	102.16
Gross amount required to be spent	249.41	268.31
Amount spent during the year	118.18	168.11
Unspent amount	131.23	100.20

(c) Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2017-18			FY 2016-17		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	0	-	0	0.10	-	0.10
(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
	<b>Total (ii)</b>	<b>118.18</b>	<b>-</b>	<b>118.18</b>	<b>166.91</b>	<b>1.20</b>	<b>168.11</b>
	<b>Grand Total (i) and (ii)</b>			<b>118.18</b>			<b>168.11</b>

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)					
Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.20 (102.16)	- (166.15)	- (168.11)	100.20 (-)	- (100.20)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	- (16.12)	- (-)	- (16.12)	- (-)	- (-)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

(₹ in crore)				
S. No.	Significant Accounting Policy		Modifications	Impact on PBT [increase / (decrease)]
	No.	Title		
1.	2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	6.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	(67.83)
3.	7	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
<b>Total</b>				<b>(243.54)</b>

21. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2.	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	-

	Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than the life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.																																									
22.	The Company has no outstanding liability towards Micro, Small and Medium enterprises.																																									
23.	Leasehold land is not amortized, as it is a perpetual lease.																																									
24.	As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.																																									
25.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.																																									
26.	Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below (₹ in crore)																																									
	<table border="1"> <thead> <tr> <th>Description</th> <th>As at 31.03.2018</th> <th>As at 31.03.2017</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td>15.33</td> <td>17.30</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td>0.80</td> <td>0.19</td> </tr> <tr> <td>(ii) Lease income</td> <td>(66.64)</td> <td>(66.00)</td> </tr> <tr> <td>(iii) Amortization</td> <td>(0.31)</td> <td>(0.24)</td> </tr> <tr> <td>(iv) Unamortized Exchange Loss (Net)</td> <td>(135.61)</td> <td>(100.76)</td> </tr> <tr> <td>(v) Net MTM Receivable from bank against derivative</td> <td>(55.70)</td> <td>(101.00)</td> </tr> <tr> <td>(vi) Unamortise Exp on Borrowings</td> <td>(58.77)</td> <td>-</td> </tr> <tr> <td><b>Net Deferred Tax liabilities (-)/Assets (+)</b></td> <td><b>(300.90)</b></td> <td><b>(250.51)</b></td> </tr> </tbody> </table>	Description	As at 31.03.2018	As at 31.03.2017	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	15.33	17.30	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	0.80	0.19	(ii) Lease income	(66.64)	(66.00)	(iii) Amortization	(0.31)	(0.24)	(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)	(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)	(vi) Unamortise Exp on Borrowings	(58.77)	-	<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(300.90)</b>	<b>(250.51)</b>								
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Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.18	8.05																																								
28.	A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:																																									
	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="3">Year ended 31.03.2018</th> <th colspan="3">Year ended 31.03.2017</th> </tr> <tr> <th>% of share capital</th> <th>Per equity share (₹)</th> <th>Amount (₹ in crore)</th> <th>% of share capital</th> <th>Per equity share (₹)</th> <th>Amount (₹ in crore)</th> </tr> </thead> <tbody> <tr> <td>First Interim dividend</td> <td>60%<sup>(1)</sup></td> <td>6.00</td> <td>1,584.05</td> <td>50%</td> <td>5.00</td> <td>1,320.04</td> </tr> <tr> <td>Second Interim dividend</td> <td>18%<sup>(2)</sup></td> <td>1.80</td> <td>475.21</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Final Dividend</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total Dividend</b></td> <td><b>78%</b></td> <td><b>7.80</b></td> <td><b>2,059.26</b></td> <td><b>50%</b></td> <td><b>5.00</b></td> <td><b>1,320.04</b></td> </tr> </tbody> </table>	Particulars	Year ended 31.03.2018			Year ended 31.03.2017			% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)	First Interim dividend	60% <sup>(1)</sup>	6.00	1,584.05	50%	5.00	1,320.04	Second Interim dividend	18% <sup>(2)</sup>	1.80	475.21	-	-	-	Final Dividend	-	-	-	-	-	-	<b>Total Dividend</b>	<b>78%</b>	<b>7.80</b>	<b>2,059.26</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>
Particulars	Year ended 31.03.2018			Year ended 31.03.2017																																						
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)																																				
First Interim dividend	60% <sup>(1)</sup>	6.00	1,584.05	50%	5.00	1,320.04																																				
Second Interim dividend	18% <sup>(2)</sup>	1.80	475.21	-	-	-																																				
Final Dividend	-	-	-	-	-	-																																				
<b>Total Dividend</b>	<b>78%</b>	<b>7.80</b>	<b>2,059.26</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>																																				
	<sup>(1)</sup> Declared by Board of Directors in their 367 <sup>th</sup> meeting held on 03.11.2017 and paid on 23.11.2017.																																									
	<sup>(2)</sup> Declared by Board of Directors in their 370 <sup>th</sup> meeting held on 26.02.2018 and paid on 19.03.2018.																																									



B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Year to which the dividend relates						
Number of non-resident shareholders	4,573	3,343	5,237	NA	NA	NA
Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA

29. Other key financial parameters:

Description	As at 31.03.2018	As at 31.03.2017
Debt Equity Ratio	5.76	5.55
Net worth (₹ in crore)	39,860.67	36,470.21

30. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2018	As at 31.03.2017
(i)	Capital Fund - a. Tier I (₹ in crore)	36,476.79	33,454.83
	- b. Tier II (₹ in crore)	6,470.46	6,369.90
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,14,881.19	2,06,567.92
(iii)	CRAR	19.99%	19.28%
(iv)	CRAR – Tier I Capital	16.98%	16.20%
(v)	CRAR – Tier II Capital	3.01%	3.08%
		<b>During the year ended 31.03.2018</b>	<b>During the year ended 31.03.2017</b>
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

31. **Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.**

**(A) Significant Accounting Policies**

Reference may be made to Note Part - B.

**(B) Capital**

Reference may be made to Note Part C - 30 for CRAR.

**(C) Investments**

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	2,680.68	3,680.94
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	344.32	89.81
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	2,336.36	3,591.13
	(b) Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	89.81	97.32
	(ii) Add : Provisions made during the year	254.51	86.59
	(iii) Less : Write-off / write-back of excess provisions during the year	-	94.10
	(iv) Closing balance	344.32	89.81

**(D) Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	299.87
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.
- These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the accounting standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.

d. Reference may be made to Note Part B - 8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Particular	As at 31.03.2018		As at 31.03.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	2.78	180.81	0.00	299.87
	b) Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	8,940.05	7,391.86	6,405.68	6,296.24

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2018 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30/31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits <sup>(1)</sup>	532.95	-	-	-	-	-	-	-	532.95
Advances <sup>(2)</sup>	4,485.03	688.44	3,905.59	7,909.22	12,684.38	42,719.38	47,703.98	158,577.76	278,673.77
Investments <sup>(3)</sup>	-	-	-	-	1,070.76	-	-	1,265.60	2,336.36
Borrowings <sup>(4)</sup>	1,275.80	2,805.00	7,345.70	12,457.70	13,056.65	69,867.71	37,178.05	67,628.47	211,615.08
Foreign Currency assets	-	-	-	-	-	-	-	240.96	240.96
Foreign Currency Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	18,260.08

<sup>(1)</sup> Fixed Deposit with Banks

<sup>(2)</sup> Rupee Loan Assets

<sup>(3)</sup> Net of provision

<sup>(4)</sup> Rupee Liabilities

**(G) Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2018	Amount as at 31.03.2017
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1,874.53	1,874.79
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,700.47	2,772.39
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
<b>Total Exposure to Capital Market</b>		<b>4,581.15</b>	<b>4,653.33</b>

### III. Details of financing of parent company products:

Company does not have a parent company.

### IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2017-18 and FY 2016-17.

### V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2018 (Previous year Nil).

### (H) Registration obtained from other financial sector regulators:

Nil.

### (I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2018, no penalty has been imposed on the Company by RBI and other regulators (Previous year Nil).

**(J) Credit rating**

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2018:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Stable

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Statement of Profit and Loss, Note Part A-18 and Note Part C-20 regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Reference may be made to Note Part C-16

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.****(N) Provisions and Contingencies**

(₹ In crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	254.51	(7.51)
Provision towards NPA	732.46	3,913.62
Provision for Standard Assets	780.43	(39.57)
Restructured Standard Assets	(952.06)	1227.03
Provision made towards Income tax	2,421.34	3,074.30

**(O) Draw Down from Reserves**

Reference may be made to Note Part A – 2 Reserves and Surplus.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.34%	62.60%

**c. Concentration of Exposures:**

Description	(₹ In crore)	
	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers / customers	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	53.90%	56.23%

**d. Concentration of NPAs:**

Description	(₹ In crore)	
	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

**e. Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

**(Q) Movement of NPAs in respect of Loan Assets**

Sl. No.		Description	(₹ In crore)	
			Year ended 31.03.2018	Year ended 31.03.2017
(i)		Net NPAs to Net Advances (%)	7.55	10.55
(ii)		Movement of NPAs (Gross)		
	(a)	Opening balance	30,702.21	7,519.04
	(b)	Additions during the year	15,477.99	24,573.14
	(c)	Reductions during the year	19,477.53	1,389.97
	(d)	Closing balance	26,702.67	30,702.21
(iii)		Movement of Net NPAs		
	(a)	Opening balance	25,345.96	6,061.02
	(b)	Additions during the year	12,451.96	20,536.64
	(c)	Reductions during the year	17,197.85	1,251.70
	(d)	Closing balance	20,600.07	25,345.96
(iv)		Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a)	Opening balance	5,356.25	1458.02
	(b)	Provisions made during the year	3,026.02	4,036.50
	(c)	Write-off / write-back of excess provisions	2,279.67	138.27
	(d)	Closing balance	6,102.60	5,356.25

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.**

**(S) Reference may be made to Note Part C - 7(A)(b) for list of Off-balance Sheet SPVs sponsored by the Company.**

**(T) Customer Complaints for FY 2017-18**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

**32. Disclosure so far as applicable in line with Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

							(₹ in Crore)
Particulars		Amount as on 31.03.2018			Amount as on 31.03.2017		
Liabilities Side		outstanding		overdue	outstanding		overdue
(1)	<b>Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>						
(a)	Debentures : Secured	20,401.58		0.00	20,109.87		0.00
	: Unsecured	176,033.95		0.00	170,800.80		0.00
(b)	(i) Rupee Term Loans	10,525.00		0.00	2,000.00		0.00
	(ii) Foreign Currency Loans	15,653.08		0.00	7,276.58		0.00
(c)	Commercial Paper	6,924.74		0.00	-		0.00
(d)	Short Term Borrowings	-		0.00	2,400.79		0.00
<b>Assets Side</b>		<b>Principal Amount Outstanding as on 31.03.2018</b>			<b>Principal Amount Outstanding as on 31.03.2017</b>		
(2)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>						
(a)	Secured			183,404.95			168,251.79
(b)	Unsecured			89,590.21			72,039.40
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>						
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease			174.89			194.32
(4)	<b>Break-up of Investments (Net of Provisions)</b>						
<b>Current Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity			1,070.76			1,071.02
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity			-			254.51
<b>Long Term Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity			12.00			12.00
(ii)	Debentures and Bonds			800.00			1,800.00
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity			247.45			247.45
(b)	Preference			200.00			200.00
(ii)	Units of SIB Fund			6.15			6.15
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b> (as per applicable provisioning norms)						
Category		Amount Net of Provisions (as on 31.03.2018)			Amount Net of Provisions (as on 31.03.2017)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
(a)	Subsidiaries	0.00	557.63	557.63	0.00	496.18	496.18
(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
2.	Other than related parties	183,579.81	89,032.09	272,611.90	168,446.07	71,542.76	239,988.83
	<b>Total</b>	<b>183,579.84</b>	<b>89,590.21</b>	<b>273,170.05</b>	<b>168,446.11</b>	<b>72,039.40</b>	<b>240,485.51</b>
(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>						
Category		As on 31.03.2018			As on 31.03.2017		
		Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)		Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)	
1.	Related Parties						
(a)	Subsidiaries	416.55	300.95		437.91	300.95	
(b)	Companies in the same group	166.78	146.50		183.86	146.50	
2.	Other than related parties						
(i)	Quoted	2,030.92	1,882.76		3,170.10	2,883.02	
(ii)	Unquoted	342.70	6.15		331.47	260.66	
	<b>Total</b>	<b>2,956.95</b>	<b>2,336.36</b>		<b>4,123.34</b>	<b>3,591.13</b>	
(7)	<b>Other Information</b>						
Particulars		Amount (as on 31.03.2018)			Amount (as on 31.03.2017)		
(i)	Gross Non-performing Assets						
(a)	Other than related parties			26,705.18			30,718.61
(ii)	Net Non-performing Assets						
(a)	Other than related parties			20,600.07			25,345.95
(iii)	Assets acquired in satisfaction of debt (Gross value of investment)			341.10			341.10

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

33.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
34.	Figures have been rounded off to the nearest crore of rupees with two decimals.
35.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.



**FY 2016-17**  
**Note Part – C**  
**Other Notes on Accounts**

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2017	As at 31.03.2016
(i)	Guarantees issued in domestic currency	190.11	226.48
(ii)	Claims against the Company not acknowledged as debts	-	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,640.56	403.07
	<b>Total</b>	<b>1,830.67</b>	<b>629.55</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 40.53 crore (Previous year ₹ 45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 165.39 crore (Previous year ₹ 121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹ 23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹ 1.11 crore (Previous year ₹ 1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.

2.2 Other Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year Nil).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
1.	Opening Balance	95.39 <sup>§</sup>	78.50
2.	Addition during the year	23.90	17.65
3.	Reversal during the year	(0.90)	(0.76)
4.	Closing Balance	118.39*	95.39 <sup>§</sup>

\* Pertaining to Assessment Year 2001-02 to 2014-15.

§ Pertaining to Assessment Year 2001-02 to 2013-14.

4. A. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.
- B. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.
- As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	-	0.30
(iv)	Training Expenses	0.29	0.26
<b>B.</b>	<b>Earning in foreign currency</b>	-	-

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
<b>Total</b>		<b>6,405.68</b>		<b>10,070.22</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 291.83 crore (Previous year USD / JPY leg USD 105 million / ₹ 701.09 crore).

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 647.56 crore (Previous year debit balance ₹ 739.74 crore).

- D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

- E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the 'Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-11 but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions

mentioned in the Guidance Note, an amount of ₹ 74.35 crore (net of Deferred Tax Liability of ₹ 39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹ 178.15 crore.

6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Shri Rajeev Sharma, CMD and CEO	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014 <sup>#</sup>

<sup>#</sup> Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹ 3.50 crore (Previous year ₹ 2.36 crore). Loans & Advances given to KMP is ₹ 0.50 crore (Previous year ₹ 0.39 crore) as on 31.03.2017.

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2017)	% of ownership as at 31.03.2017	Amount as at 31.03.2017 (₹ in crore)	Amount as at 31.03.2016 (₹ in crore)
<b>(a)</b>	<b>Subsidiary Companies<sup>(i)</sup></b>					
(i)	PFC Consulting Limited (PFCCCL) <sup>(ii)</sup>	09.04.2008	50,000	100%	0.05	0.05
(ii)(a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) <sup>(iii)</sup>	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii)(b)	PFCGEL (Preference Shares) <sup>(iii)</sup>	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS) <sup>(ii)</sup>	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP) <sup>(iv)</sup>	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	<b>Sub-Total (A)</b>				<b>300.20</b>	<b>300.20</b>
<b>(b)</b>	<b>Subsidiary Companies promoted as SPVs for UMPPs<sup>(v)</sup></b>					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power	05.09.2006	50,000	100%	0.05	0.05

	Limited						
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05	
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05	
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05	
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05	
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05	
(viii)	Tatiya Andhra Mega Power Limited (TAMPL) <sup>(vi)</sup>	27.01.2010	50,000	100%	0.05	0.05	
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05	
(x)	Cheyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05	
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05	
(xii)	Deoghar Infra Limited	25.08.2015	50,000	100%	0.05	0.05	
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	0.05	
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	0.05	
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	0.05	
	<b>Sub-Total (B)</b>				<b>0.75</b>	<b>0.75</b>	
<b>(c)</b>	<b>Joint venture Companies<sup>(i)</sup></b>						
(i)	National Power Exchange Limited (NPEL) <sup>(vii)</sup>	-	-	-	-	2.19	
(ii)	Energy Efficiency Services Limited (EESL)	21.01.2010 26.03.2013 21.08.2015 25.04.2016	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000	31.71%	146.50	47.50	
	<b>Sub-Total (C)</b>				<b>146.50</b>	<b>49.69</b>	
	<b>TOTAL <sup>(viii)</sup> (A+ B+ C)</b>				<b>447.45</b>	<b>350.64</b>	

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCL is under progress.

(iii) The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9<sup>th</sup> August 2016 which is under progress.

(iv) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(v) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

(vi) MoP vide its OM dated 21st June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

(vii) Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹ 1.21 crore in July 2016 as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹ 1.06 crore has been reversed and loss on disposal of investments of ₹ 0.98 crore has been recognised. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

(viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities except NPEL where maximum amount during the year stood at ₹ 2.19 crore gross of provision for diminution.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2017 and income and expenses for the period in respect of joint venture entities based on financial statements are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2017			As at 31.03.2016		
		NPEL <sup>#</sup>	EESL <sup>@</sup>	Total	NPEL	EESL	Total
	<b>Ownership (%)</b>	-	<b>31.71</b>		<b>16.66</b>	<b>28.79</b>	
A	Assets						
	Non-Current assets	NA	336.90	<b>336.90</b>	0.01	180.87	<b>180.88</b>
	Current assets	NA	510.19	<b>510.19</b>	1.22	253.66	<b>254.88</b>
	<b>Total</b>	NA	<b>847.09</b>	<b>847.09</b>	<b>1.23</b>	<b>434.53</b>	<b>435.76</b>
B	Liabilities						
	Non-Current Liabilities	NA	263.59	263.59	0.00	65.89	<b>65.89</b>
	Current Liabilities	NA	399.32	399.32	0.03	248.82	<b>248.85</b>
	<b>Total</b>	NA	<b>662.91</b>	<b>662.91</b>	<b>0.03</b>	<b>314.71</b>	<b>314.74</b>
C	Contingent liabilities	NA	11.74	<b>11.74</b>	0.00	-	0.00
D	Capital commitments	NA	103.95	<b>103.95</b>	0.00	84.24	84.24
			<b>For the Year ended 31.03.2017</b>		<b>For the Year ended 31.03.2016</b>		
E	Total Income	NA	410.10	<b>410.10</b>	0.09	205.68	<b>205.77</b>
F	Total Expenses	NA	386.08	<b>386.08</b>	0.00	191.40	<b>191.40</b>

<sup>#</sup> Reference may be made to footnote (vii) of Part C – 7(A) of notes on accounts.

<sup>@</sup> Based on unaudited provisional financials.

## 8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017*	As at 31.03.2016*	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
PFC Green Energy Limited	0.11	0.24	0.36	0.43
PFC Capital Advisory Services Limited	0.03	0.19	0.20	0.23
Cheyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
PFC Consulting Limited	0.00	0.00	0.79	0.00
<b>Total</b>	<b>395.76</b>	<b>313.77</b>	<b>398.63</b>	<b>357.65</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017	As at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Consulting Limited	1.06	2.70	6.40	2.70
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.72
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
PFC Green Energy Limited	0.00	0.00	0.51	0.00
PFC Capital Advisory Services Limited	0.04	0.00	0.04	0.00
Deoghar Mega Power Limited	14.02	0.00	14.02	0.00
<b>Total</b>	<b>442.42</b>	<b>383.83</b>	<b>448.27</b>	<b>383.83</b>

(iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2017	Outstanding as at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Green Energy Limited	252.69	11.58	255.06	11.58

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).

9. A. Major Investments made during the year:

- i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹ 10/- per share under Offer for Sale by Gol. The shares have been subscribed at a cost of ₹ 21.78/- per share including brokerage and other statutory charges aggregating to ₹ 567.50 crore.
- ii) The Company has subscribed to 9,90,00,000 fully paid equity shares of EESL of face value of ₹ 10/- per share as on 31.03.2016 and the same have been allotted on 25.04.2016.

B. Conversion of Debt into Equity:

- i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹ 10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹ 1/-.

Further, 6,61,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹ 66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹ 46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹ 1.

As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.

- ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹ 10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹ 81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹ 20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹ 63.88 crore (Previous year ₹ 60.71 crore), after transferring exchange difference of ₹ 12.56 crore (Previous year ₹ 13.48 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

- (i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description	As at 31.03.2017	As at 31.03.2016
Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78
Present value of lease payments recoverable	194.32	204.09
<b>Unearned finance income</b>	<b>141.47</b>	<b>160.69</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	27.11
Later than one year and not later than 5 years	107.10	107.54
Later than five years	201.58	230.13
<b>Total</b>	<b>335.79</b>	<b>364.78</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	8.62	7.89
Later than one year and not later than 5 years	43.17	39.52
Later than five years	142.53	156.68
<b>Total</b>	<b>194.32</b>	<b>204.09</b>

- (ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 0.89 crore as on 31.03.2017 (Previous year ₹ 1.33 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.45 crore as on 31.03.2017 (Previous year ₹ 3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 3.74 crore as on 31.03.2017 (Previous year ₹ 4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 327.71 crore as on 31.03.2017 (Previous year ₹ 355.30 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 5.61 crore (Previous year ₹ 4.65 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 0.50 crore (Previous year ₹ 0.50 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2017	Year ended 31.03.2016
Not later than one year	3.69	3.00
Later than one year and not later than 5 years	1.02	1.05
Later than 5 years	-	-
<b>Total</b>	<b>4.71</b>	<b>4.05</b>



## 12. Implementation of GoI Schemes

## (A) Subsidy under Accelerated Generation &amp; Supply Programme (AG&amp;SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 8.67 crore and ₹ 93.56 crore as on 31.03.2017 (Previous year ₹ 7.80 crore and ₹ 87.47 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following :-

(₹ in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	107.47	111.35
Add : Received during the period	-	-
: Interest credited during the period	9.06	8.87
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	6.84	12.75
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>109.69</b>	<b>107.47</b>

## (B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	667.82	1349.56	667.82	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1349.56)	(667.82)	-	-
<b>Closing Balance (A)</b>	<b>9,222.23</b>	<b>8,230.45</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>		-	NA			-
<b>C. Interest on loan under R-APDRP</b>		-			NA	
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				

Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+) Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>3,006.70</b>	<b>2,278.88</b>				
<b>D. Accumulated Moratorium Interest</b>					NA	
Opening Balance	999.68	38.85				
(+) Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
<b>Closing Balance (D)</b>	<b>487.48</b>	<b>999.68</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>					NA	
(i) Accrued but not due						
Opening Balance	7.26	0.15				
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99				
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)				
Closing Balance (i)	2.10	7.26				
(ii) Accrued and due						
Opening Balance	55.22	1.18				
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)				
Closing Balance (ii)	24.33	55.22				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>26.43</b>	<b>62.48</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>					NA	
(i) Interest on Interest						
Opening Balance	4.63	0.05				
Additions During the period	14.86	4.64				
Recoveries / refunds / changes during the period	(16.31)	(0.06)				
Closing Balance (i)	3.18	4.63				
(ii) Interest on "Interest on Accumulated Moratorium Interest"						
Opening Balance	1.80	0.02				
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)				
Closing Balance (ii)	1.38	1.80				
(iii) Penal Interest						
Opening Balance	5.18	0.05				
Additions During the period	7.65	5.21				
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)				
Closing Balance (iii)	1.80	5.18				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>6.36</b>	<b>11.61</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>12,749.20</b>	<b>11,583.10</b>			-	-

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalizing the R-APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the

Company is given below:

Description	Year ended 31.03.2017	Year ended 31.03.2016	(₹ in crore)	
			Accumulated up-to year ended	
			31.03.2017	31.03.2016
Nodal agency fee <sup>(1)</sup>	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
<b>Total</b>	<b>24.98</b>	<b>23.65</b>	<b>280.72</b>	<b>255.74</b>

<sup>(1)</sup>Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
- iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
- iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

Description	(₹ in crore)					
	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
<b>Closing Balance</b>	<b>2,561.01</b>	<b>358.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

13 Government of India Fully Serviced Bonds

For meeting GoI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹ 5,000 crore through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹ 10 lacs at par on private placement basis. As per O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

14	<p>A. Asset classification and Provisioning:</p> <p>1) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:</p> <ol style="list-style-type: none"> <li>1. Assets classification norms in line with RBI's letter dated 03.10.2016: <ol style="list-style-type: none"> <li>i. loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more,</li> <li>ii. NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and</li> <li>iii. NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months.</li> </ol> </li> <li>2. Restructuring Norms: <ol style="list-style-type: none"> <li>(i) In line with RBI's letter dated 11.06.2014, Transmission &amp; Distribution, Renovation &amp; Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans. <p>Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018.</p> </li> <li>(ii) As regard implementation of RBI restructuring norms (shifting from MoP, Gol approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022.</li> </ol> </li> </ol> <p>2) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, Gol approved restructuring norms were applicable).</p> <p>b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A (b) (i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning.</p> <p>B. Credit Concentration Norms</p> <p>For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.</p>
15.	<p>Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, Gol approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues as on 31.03.2017:</p> <ol style="list-style-type: none"> <li>a) Company has categorised standard assets amounting to ₹ 35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,403.79 crore.</li> <li>b) Company has classified two loan assets as NPA having amount outstanding of ₹ 8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the</li> </ol>

year, un-realised income on these loans amounting to ₹ 163.71 crore has been reversed and additional provision of ₹ 799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 963.16 crore.

c) Company has classified three loan assets as NPA having amount outstanding of ₹ 4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹ 103.04 crore has been reversed and additional provision of ₹ 401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 504.22 crore.

d) Company has classified one loan asset as NPA having amount outstanding of ₹ 5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹ 142.03 crore has been reversed and additional provision of ₹ 333.14 crore has been made on this loan.

Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹ 118.59 crore has been reversed and additional provision of ₹ 489.62 crore has been made on such other loans having amount outstanding of ₹ 5,073.73 crore as on 31.03.2017.

Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹ 1,083.38 crore.

The profit before tax for the year has decreased by ₹ 3,954.55 crore on account of para a to d above.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	159,382.44	-39.57	557.84	199,138.19	110.85	597.41
(ii)	Restructured Standard Assets <sup>(1)</sup>	55,440.62	1,227.03	2,356.23	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56 <sup>(2)</sup>	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.25	2,393.15	327.47	721.98
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
<b>(B) Other Assets and provision thereon</b>							
(i)	Other Assets	16.40	15.39	16.40	1.17	0.04	1.01
	<b>Grand Total</b>	<b>245,541.67</b>	<b>5,101.08</b>	<b>8,286.72</b>	<b>238,921.38</b>	<b>1,609.32</b>	<b>3,185.64</b>

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹ 19,445.92 crore in private sector and ₹ 35,994.70 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector).

<sup>(2)</sup> Includes loans amounting to ₹ 23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

17. Basis of secured / un-secured categorization of loan assets:

- a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.
- b) In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.

18. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S. N	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April,01 2016	No. of borrowers	Nil				15	3	4	-	22	15	3	4	-	22	
		Amount outstanding (Restructured facility)					32,262.98	3,111.05	1,414.67	-	36,788.70	32,262.98	3,111.05	1,414.67	-	36,788.70	
		Amount outstanding (Other facility)					-	-	232.11	-	232.11	-	-	232.11	-	232.11	
		Provision Thereon					1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88	
2	Movement of balance in account appearing in opening balance (including Pre-payment of loan)	No. of borrowers	Nil				2		2		4	2		2		4	
		Amount outstanding (Restructured facility)					(1,867.82)	-	(63.58)	-	(1,931.40)	(1,867.82)	-	(63.58)	-	(1,931.40)	
		Amount outstanding (Other facility)							73.99		73.99			73.99		73.99	
		Provision Thereon					(65.37)		362.53		297.15	(65.37)		362.53		297.15	
3	Categorised as restructured during the year	No. of borrowers	Nil				11	-	-		11	11	-	-		11	
		Amount outstanding (Restructured facility)					36,445.60	-	-		36,445.60	36,445.60	-	-		36,445.60	
		Amount outstanding (Other facility)					-	-	-		-	-	-	-		-	
		Provision Thereon					1,548.94	-	-		1,548.94	1,548.94	-	-		1,548.94	
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil				-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Restructured facility)					-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)					-	-	-	-	-	-	-	-	-	-	
		Provision Thereon					-	-	-	-	-	-	-	-	-	-	
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil				(2)				(2)	(2)	-	-		(2)	
		Amount outstanding (Restructured facility)					(2,857.41)				(2,857.41)	(2,857.41)	-	-		(2,857.41)	
		Amount outstanding (Other facility)					-		-		-	-	-	-		-	
		Provision Thereon					(100.01)		-		(100.01)	(100.01)	-	-		(100.01)	

6	Down gradation of restructured accounts during the year	No. of borrowers	Nil	(1)	(2)	3	-	(1)	(2)	3	-	-
		Amount outstanding (Restructured facility)		(8,542.74)	4,779.09	3,111.05	-	(8,542.74)	4,779.09	3,111.05	-	
		Amount outstanding (Other facility)					-					
		Provision Thereon		(299.00)	477.91	745.56	<b>989.73</b>	(299.00)	477.91	745.56	<b>989.73</b>	
7	Write-offs restructured accounts during the year	No. of borrowers	Nil				-	-	-	-	-	-
		Amount outstanding (Restructured facility)					-	-	-	-	-	
		Amount outstanding (Other facility)					-	-	-	-	-	
		Provision Thereon					-	-	-	-	-	
8	Restructured accounts as on March 31, 2017	No. of borrowers	Nil	21	1	7	<b>29</b>	21	1	7	<b>29</b>	
		Amount outstanding (Restructured facility)		55,440.62	7,890.14	4,462.14	<b>68,445.49</b>	55,440.62	7,890.14	4,462.14	<b>68,445.49</b>	
		Amount outstanding (Other facility)		-		306.10	<b>306.10</b>	-		306.10	<b>306.10</b>	
		Provision Thereon		2,356.23	789.02	1,662.61	<b>4,873.12</b>	2,356.23	789.02	1,662.61	<b>4,873.12</b>	

19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made till the date of reclassification was reversed during the previous year.

The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.

Subsequent to reclassification of the said account in the previous year,

(i) interest / income of ₹ 413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;

(ii) provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹ 163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹ 148.82 crore);

(iii) provision treating the account as doubtful, on the loan balance of ₹ 4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹ 4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹ 815.50 crore (previous year ₹ 276.37 crore).

20. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by Gol.



However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

**B. Gratuity**

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

**C. Pension**

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

**D. Post-Retirement Medical Scheme (PRMS)**

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the F.Y. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹ 17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

**E. Terminal Benefits**

Terminal benefits include settlement in home town for employees & their dependents.

**F. Leave**

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

**i) Expenses recognised in Statement of Profit and Loss Account**

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Interest cost on benefit obligation	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)



Expected return on plan assets	-1.84 (-1.72)	-1.01 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.23 (-1.11)	2.84 (2.36)	2.41 (2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.41 (0.27)	4.04 (4.15)	7.49 (6.39)

\*During the year, the expenses include ₹ 0.09 crore (previous year ₹ 0.03 crore), ₹ 0.43 crore (previous year ₹ 0.55 crore) and ₹ 0.29 crore (previous year ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)			
Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)
Fair value of plan assets as at 31.03.2017 (ii)	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)
Net asset / (liability) recognized in the Balance Sheet	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)

iii) Changes in present value of defined benefit obligations

(₹ in crore)			
Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Interest cost	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Benefits paid	-0.98 (-0.63)	-1.09 (-0.90)	-3.70 (-2.93)
Net actuarial (gain)/loss on obligation	-0.29 (-1.09)	2.87 (2.36)	2.41 (2.18)
Present value of the defined benefit obligation as at 31.03.2017	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)

iv) Changes in fair value of plan assets

(₹ in crore)			
Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47 (19.14)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.84 (1.72)	1.01 (0.00)	0.00 (0.00)
Contributions by employer	0.47 (0.21)	17.93 (0.00)	0.00 (0.00)
Benefit paid	-0.98 (-0.63)	-0.83 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	-0.06 (0.02)	0.04 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ in crore)		
Particulars	PRMS	Service and Interest Cost

Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

vi) During the year, Company has provided liability of ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil (Previous year ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore (Previous year ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.21 crore (Previous year ₹ 0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.59 crore (Previous year ₹ 0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹ 0.05 crore (Previous year ₹ 0.06 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹ in crore)			
S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures <sup>(1)</sup>	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	<b>Total</b>	<b>21.12</b>	<b>19.97</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – Gratuity	7.50%
Future salary increase*	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

(₹ in crore)			
S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.07	0.00
ii)	Corporate bonds / debentures <sup>1</sup>	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	<b>Total</b>	<b>17.58</b>	<b>0.00</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

<sup>1</sup>Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	22.95	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.21)	(0.27)	(0.21)	(0.86)	(1.48)
Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

\*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹ 1.16 crore (Previous year 0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.79 crore (Previous year ₹ 1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹ 4.97 crore (Previous year 2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹ 1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

Leave	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	30.68	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ in crore)

LSA	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ in crore)

ERS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ in crore)

Baggage Allowance	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	17.83 (14.58)	4.04 (4.15)	18.09 (0.90)	0.00 (-)	3.78 (17.83)
Pay revision	- (-)	9.94 (-)	- (-)	- (-)	9.94 (-)
Gratuity	0.13 (0.08)	1.41 (0.27)	0.33 (0.22)	- (-)	1.21 (0.13)
Provision for superannuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	26.89 (23.42)	7.49 (6.40)	3.70 (2.93)	- (-)	30.68 (26.89)
Economic Rehabilitation Scheme for employee	1.50 (1.24)	0.21 (0.33)	0.08 (0.07)	0.00 (-)	1.63 (1.50)
Bonus / Incentives	9.87 (10.90)	4.83 (9.22)	9.19 (8.89)	-0.07 (-1.36)	5.58 (9.87)
Baggage Allowances	0.11 (0.10)	0.02 (0.01)	0.00 (0.00)	0.00 (-)	0.13 (0.11)
Service Award	4.74 (4.49)	0.59 (0.48)	0.34 (0.23)	0.00 (-)	4.99 (4.74)
Provision on loan assets etc. <sup>(1)</sup>	3,185.64 (1,576.32)	5,101.08 (1,609.32)	- (0.00)	- (-)	8,286.72 (3,185.64)
Provision for diminution in value of investment	97.32 (1.06)	86.59 (96.26)	0.00 (0.00)	94.10 (-)	89.81 (97.32)
CSR	102.16 (114.30)	166.15 (145.79)	168.11 (157.93)	- (-)	100.20 (102.16)
Income Tax	7,513.58 (6,211.19)	3,075.08 (2,822.26)	2,050.04 (1,519.87)	- (-)	8,538.62 (7,513.58)
Proposed Final Dividend	79.20 (79.20)	0.00 (79.20)	79.20 (79.20)	0.00 (-)	0.00 (79.20)
Proposed Corporate Dividend Tax	16.12 (16.12)	0.00 (16.12)	16.12 (16.12)	0.00 (-)	0.00 (16.12)
Interim Dividend	- (-)	1,320.04 (1,755.66)	- (1,755.66)	- (-)	1,320.04 (-)
Corporate Dividend Tax on Interim dividend	-	268.73 (356.74)	201.55 (356.74)	- (-)	67.18 (-)

<sup>(1)</sup>As detailed at Note Part – C 16.

22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ in crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	166.15	145.79
Carry forward from previous year	102.16	114.30
Gross amount required to be spent	268.31	260.09

(b) Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2016-17			FY 2015-16		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iie)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
	<b>Total (ii)</b>	<b>166.91</b>	<b>1.20</b>	<b>168.11</b>	<b>157.17</b>	<b>0.76</b>	<b>157.93</b>
	<b>Grand Total (i) and (ii)</b>			<b>168.11</b>			<b>157.93</b>

c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.

e) During the year ended 31.03.2017, an amount of ₹ 119.48 crore (Previous year ₹ 192.13 crore) has been disbursed against CSR activities.

23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

(₹ in crore)

S. No.	Significant Accounting Policy		Modifications	Impact on PBT [(+) increase / (-) decrease]
	No.	Title		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms <sup>1</sup> as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms. <sup>1</sup>	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms. <sup>1</sup>	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms. <sup>1</sup>	Nil
5.	2.7	Prior period	Portion related to Prior period expenses / Income	Nil

		expenses / Income	deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	
6.	5.1	Quoted Current Investments	Modified to align with the RBI prudential norms <sup>1</sup> requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	5.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms. <sup>1</sup>	(46.27)
8.	5.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	6.1 & 6.4	Asset Classification	6.1.2 (i) Modified to align with the RBI prudential norms. <sup>1</sup> 6.1.2 (ii) & 6.4 Modified to align with RBI Restructuring Norms / Directions <sup>3</sup>	Nil (2,550.76)
10.	6.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms <sup>1</sup> resulting in – i) additional pro-rata provision on standard assets ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	(79.69) 707.80
11.	6.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹ 1,403.79 crore as explained at Note Part C-15 (a). <sup>3</sup>	(1549.64)
12.	8	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f 01.04.2016. <sup>2</sup>	178.15
<b>Total</b>				<b>(3,248.34)</b>

<sup>1</sup> Adoption of RBI norms (Refer Note Part C-14).

<sup>2</sup> Reference may be made to Note Part-C 5(E) for impact on opening reserves.

<sup>3</sup> Reference may be made to Note Part-C-15.

24. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

25. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

26. Leasehold land is not amortized, as it is a perpetual lease.

27.	As required under Section 125 of the Companies Act, 2013, ₹ 4.58 crore, (Previous Year ₹ 0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹ 2.03 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.																														
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹ 1,482.46 crore is awaited.																														
29.	<p>Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below : (₹ in crore)</p> <table border="1"> <thead> <tr> <th>Description</th> <th>As at 31.03.2017</th> <th>As at 31.03.2016</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td>17.30</td> <td>18.29</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td>0.19</td> <td>(0.07)</td> </tr> <tr> <td>(ii) Lease income</td> <td>(66.00)</td> <td>(68.73)</td> </tr> <tr> <td>(iii) Amortization</td> <td>(0.24)</td> <td>(0.47)</td> </tr> <tr> <td>(iv) Unamortized Exchange Loss (Net)</td> <td>(100.76)</td> <td>(251.08)</td> </tr> <tr> <td>(v) Net MTM Receivable from bank against derivative*</td> <td>(101.00)</td> <td>-</td> </tr> <tr> <td><b>Net Deferred Tax liabilities (-)/Assets (+)</b></td> <td><b>(250.51)</b></td> <td><b>(302.06)</b></td> </tr> </tbody> </table>	Description	As at 31.03.2017	As at 31.03.2016	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	17.30	18.29	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	0.19	(0.07)	(ii) Lease income	(66.00)	(68.73)	(iii) Amortization	(0.24)	(0.47)	(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)	(v) Net MTM Receivable from bank against derivative*	(101.00)	-	<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(250.51)</b>	<b>(302.06)</b>
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<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(250.51)</b>	<b>(302.06)</b>																													
30.	During the year, Government of India (Gol) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of Gol in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.																														
31.	<p>Shareholders in their Annual General Meeting held on 19th August 2016 have accorded approval:</p> <p>(a) to increase the authorized share capital of the Company from ₹ 2,000 crore divided into 2,00,00,00,000 equity shares of ₹ 10/- each to ₹ 10,000 crore divided into 10,00,00,00,000 equity shares of ₹ 10/- each, and</p> <p>(b) for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account.</p> <p>Consequently, the Board of Directors of the Company in its meeting held on 1st September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹ 1,320.04 crore (132,00,40,704 equity shares of ₹ 10 each) to ₹ 2,640.08 crore (264,00,81,408 no of equity shares of ₹ 10 each).</p>																														
32.	<p>In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>During year ended 31.03.2017</th> <th>During year ended 31.03.2016<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td>Net Profit after tax used as numerator (₹ in crore)</td> <td>2,126.39</td> <td>6,113.48</td> </tr> <tr> <td>Weighted average number of equity shares used as denominator (basic)</td> <td>264,00,81,408</td> <td>132,00,40,704</td> </tr> <tr> <td>Diluted effect of outstanding Stock Options</td> <td>-</td> <td>-</td> </tr> <tr> <td>Weighted average number of equity shares used as denominator (diluted)</td> <td>264,00,81,408</td> <td>132,00,40,704</td> </tr> <tr> <td>Earning per equity share, face value ₹ 10 each(basic) (₹)<sup>(1)</sup></td> <td>8.05</td> <td>23.16</td> </tr> <tr> <td>Effect of outstanding Stock Options (₹)</td> <td>-</td> <td>-</td> </tr> <tr> <td>Earning per equity share, face value ₹ 10 each (diluted) (₹)<sup>(1)</sup></td> <td>8.05</td> <td>23.16</td> </tr> </tbody> </table> <p><sup>(1)</sup>Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.</p>	Description	During year ended 31.03.2017	During year ended 31.03.2016 <sup>(1)</sup>	Net Profit after tax used as numerator (₹ in crore)	2,126.39	6,113.48	Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704	Diluted effect of outstanding Stock Options	-	-	Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704	Earning per equity share, face value ₹ 10 each(basic) (₹) <sup>(1)</sup>	8.05	23.16	Effect of outstanding Stock Options (₹)	-	-	Earning per equity share, face value ₹ 10 each (diluted) (₹) <sup>(1)</sup>	8.05	23.16						
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33. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2017 is as under:

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	50% <sup>(1)</sup>	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20 <sup>(2)</sup>
<b>Total Dividend</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>

<sup>(1)</sup> Declared by Board of Directors in their 359<sup>th</sup> meeting held on 24.03.2017 and paid on 07.04.2017.

<sup>(2)</sup> Paid on 01.09.2016.

B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Year to which the dividend relates						
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹ 10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹ in crore)	206.61	152.88	NA	76.50	NA	10.52

34. Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.55	5.61
Net worth (₹ in crore)	36,470.21	35,766.03

35. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2017	As at 31.03.2016
(i)	Capital Fund - a. Tier I (₹ in crore)	33,454.83	33,217.38
	- b. Tier II (₹ in crore)	6,369.90	6,224.90
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	206,567.92	1,94,558.46
(iii)	CRAR	19.28%	20.27%
(iv)	CRAR – Tier I Capital	16.20%	17.07%
(v)	CRAR – Tier II Capital	3.08%	3.20%
		<b>During the year ended 31.03.2017</b>	<b>During the year ended 31.03.2016</b>
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

36. The Company does not transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.



## 37. (I) Additional disclosures in accordance with RBI directions on Corporate Governance

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

## (B) Capital

Reference may be made to Note Part C - 35 for CRAR.

## (C) Investments

(₹ in crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	3,680.94	2,774.79
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	89.81	97.32
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	3,591.13	2,677.47
	(b) Outside India.		-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	97.32	1.06
	(ii) Add : Provisions made during the year	86.59	96.26
	(iii) Less : Write-off / write-back of excess provisions during the year	94.10	-
	(iv) Closing balance	89.81	97.32

## (D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.
- These derivative transactions are done for hedging purpose and not for trading or speculative purpose.
- Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular	As at 31.03.2017		As at 31.03.2016	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	0.00	299.87	6.54	125.42
	b) Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>		6,296.24	10,070.22	8,587.86
		6,405.68			

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 6,164.60 crore (Previous year ₹ 7,164.60 crore)

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 291.83 crore (Previous year covering USD / JPY ₹ 701.09 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,655.60	614.22	615.82	8,240.92	19,525.29	39,071.21	38,282.20	1,35,259.88	245,265.14
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	2,265.60	3,591.13
Borrowings <sup>(3)</sup>	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	194,414.56
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	260.12
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	8,443.88

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

**(G) Exposures**

- I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1,874.79	869.64
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
<b>Total Exposure to Capital Market</b>		<b>4,653.33</b>	<b>2,619.92</b>

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

**(H) Registration obtained from other financial sector regulators:**

Nil.

**(I) Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

**(J) Credit rating**

- a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

- b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.****(N) Provisions and Contingencies**

Reference may be made to Note Part C-21 for provisions and contingencies.

**(O) Draw Down from Reserves**

Reference may be made to Note Part C – 31 and Note - Part A - 2.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

- a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

- b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.60%	62.63%

- c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.23%	56.43%

**d. Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

**e. Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

**(Q) Movement of NPAs in respect of Loan Assets**

(₹ In Crore)

Sl. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)	10.55	2.55
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	7,519.04	2,533.31
(b)	Additions during the year	24,573.14	8,385.58
(c)	Reductions during the year	1,389.97	3,399.85
(d)	Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs		
(a)	Opening balance	6,061.02	2,008.96
(b)	Additions during the year	20,536.65	7,111.93
(c)	Reductions during the year	1,251.70	3,059.87
(d)	Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	1458.02	524.35
(b)	Provisions made during the year	4,036.50	1,273.66
(c)	Write-off / write-back of excess provisions	138.27	339.99
(d)	Closing balance	5,356.25	1,458.02

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.**

**(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.**

**(T) Customer Complaints for FY 2016-17**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

**38. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:**

(₹ in Crore)

Particulars		Amount as on 31.03.2017		Amount as on 31.03.2016			
		outstanding	overdue	outstanding	overdue		
<b>(1) Liabilities Side</b>							
<b>Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>							
(a)	Debentures : Secured	20,109.87	0.00	21,786.66	0.00		
	: Unsecured	170,800.80	0.00	150,552.50	0.00		
(b)	(i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00		
	(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00		
(c)	Commercial Paper	0.00	0.00	5,286.37	0.00		
(d)	Short Term Borrowings	2,400.79	0.00	2,285.20	0.00		
<b>Assets Side</b>		<b>Principal Amount Outstanding as on 31.03.2017</b>		<b>Principal Amount Outstanding as on 31.03.2016</b>			
<b>(2) Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>							
(a)	Secured	168,251.79		147,738.28			
(b)	Unsecured	72,039.40		89,783.11			
<b>(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>							
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease	194.32		204.09			
<b>(4) Break-up of Investments (Net of Provisions)</b>							
<b>Current Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity	1,071.02		410.74			
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity	254.51		0.00			
<b>Long Term Investments</b>							
1.	<b>Quoted</b>						
(i)	Shares						
(a)	Equity	12.00		12.00			
(ii)	Debentures and Bonds	1,800.00		1,800.00			
2.	<b>Unquoted</b>						
(i)	Shares						
(a)	Equity*	247.45		149.58			
(b)	Preference	200.00		200.00			
(ii)	Units of SIB Fund	6.15		6.15			
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above: (as per applicable provisioning norms)</b>							
Category		Amount Net of Provisions (as on 31.03.2017)			Amount Net of Provisions (as on 31.03.2016)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
(a)	Subsidiaries	0.00	496.18	496.18	0.00	202.04	202.04
(b)	Other related parties	0.04	0.46	0.50	0.03	0.36	0.39
2.	Other than related parties	168,446.07	71,542.76	239,988.83	147,942.34	89,580.71	237,523.05
<b>Total</b>		<b>168,446.11</b>	<b>72,039.40</b>	<b>240,485.51</b>	<b>147,942.37</b>	<b>89,783.11</b>	<b>237,725.48</b>
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>							
Category		As on 31.03.2017			As on 31.03.2016		
		Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)	Value of Provisions)	Market value / Break up <sup>5</sup> or fair value or NAV	Book Value (Net of Provisions)	Value of Provisions)
1.	Related Parties						
(a)	Subsidiaries	437.91	300.95		348.86		300.95
(b)	Companies in the same group*	183.86	146.50		61.01		48.63
2.	Other than related parties						
(i)	Quoted	3,170.10	2,883.02		2,292.10		2,222.74
(ii)	Unquoted	331.47	260.66		6.30		6.15
<b>Total</b>		<b>4,123.34</b>	<b>3,591.13</b>		<b>2,708.26</b>		<b>2,578.47</b>
<b>(7) Other Information</b>							
Particulars		Amount (as on 31.03.2017)		Amount (as on 31.03.2016)			
(i)	Gross Non-performing Assets						
(a)	Other than related parties	30,718.61		7,520.19			
(ii)	Net Non-performing Assets						
(a)	Other than related parties	25,345.95		6,061.17			
(iii)	Assets acquired in satisfaction of debt	341.10		0.00			

\*Book value as on 31.03.2016 excludes investment of ₹ 99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹ 10 of EESL (a JV Company).

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

39. Additional disclosure flowing from RBI schemes for dealing with stressed assets:

**A. Disclosures on Strategic Debt**

Restructuring Scheme (accounts which are currently under the stand-still period)

{Figures in brackets ( ) are for previous year}

(Amount in ₹ Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)

**B. Disclosures on Change in Ownership outside SDR Scheme**

{Figures in brackets ( ) are for previous year}

(Amount in ₹ Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on 31.03.2017 with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)

40.	The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
41.	Figures have been rounded off to the nearest crore of rupees with two decimals.
42.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.



**FY 2015-16**

**Part – C**

**Other Notes on Accounts**

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

2. Contingent Liabilities and Commitments:

2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US \$ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.48	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	403.07	787.32
	<b>Total</b>	<b>629.55</b>	<b>1,054.89</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

2.2 Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year ₹ 0.33 Crore).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50 <sup>§</sup>

\* Pertaining to Assessment Year 2001-02 to 2013-14.

§ Pertaining to Assessment Year 2001-02 to 2012-13.

4. A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document.
- B. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CL.V dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.
- C. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.
- As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2016 and 17.03.2016 respectively.

5. A. Foreign currency expenditure and earning: (₹ in crore)

S. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.65
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
<b>B.</b>	<b>Earning in foreign currency</b>	-	-

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
<b>Total</b>		<b>10,070.22</b>		<b>8,514.73</b>

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).
- D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

S. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Shri M K Goel, CMD and CEO *	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014

\* Holding additional charge of Director (Commercial) till 16.11.2015.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 2.36 crore (Previous year ₹ 2.50 crore).

7. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed	% of ownership as at 31.03.2016	Amount as at 31.03.2016 (₹ in crore)	Amount as at 31.03.2015 (₹ in crore)
<b>(a)</b>	<b>Subsidiary Companies <sup>(i)</sup></b>					
(i)	PFC Consulting Limited (PFCCL) <sup>(iii)</sup>	09.04.2008	50,000	100%	0.05	0.05
(ii a)	PFC Green Energy Limited (PFCGEL) (Equity Shares)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii b)	PFCGEL (Preference Shares)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS) <sup>(iii)</sup>	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP) <sup>(iii)</sup>	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	<b>Sub-Total (A)</b>				<b>300.20</b>	<b>300.20</b>
<b>(b)</b>	<b>Subsidiary Companies promoted as SPVs for UMPPs <sup>(iv)</sup></b>					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05

(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited <sup>(v)</sup>	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheykur Infra Limited	24.03.2014	50,000	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50000	100%	0.05	-
(xiii)	Bihar Infrapower Limited	26.08.2015	50000	100%	0.05	-
(xiv)	Bihar Mega Power Limited	27.08.2015	50000	100%	0.05	-
(xv)	Jharkhand Infrapower Limited	05.02.2016	50000	100%	0.05	-
	<b>Sub-Total (B)</b>				<b>0.75</b>	<b>0.55</b>
<b>(c)</b>	<b>Joint venture Companies<sup>(i)</sup></b>					
(i)	National Power Exchange Limited (NPEL) <sup>(vi)</sup>	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19	2.19
(ii)	Energy Efficiency Services Limited (EESL) <sup>(vii)</sup>	21.01.2010 26.03.2013 21.08.2015	6,25,000 2,18,75,000 2,50,00,000	28.79%	47.50	22.50
	<b>Sub-Total (C)</b>				<b>49.69</b>	<b>24.69</b>
	<b>TOTAL <sup>(viii)</sup> (A+ B+ C)</b>				<b>350.64</b>	<b>325.44</b>

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Decision to merge PFCCAS with PFCL has been referred to Ministry of Power (MoP), Govt. of India (GoI). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.

(iii) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(iv) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding

process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

- (v) Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, Gol.
- (vi) The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).
- (vii) Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.
- (viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2016 and income and expenses for the period in respect of joint venture entities based on their audited\* financial statements are given below:

(₹ in crore)

S.No	Description	As at 31.03.2016			As at 31.03.2015		
		NPEL	EESL*	Total	NPEL	EESL	Total
	<b>Ownership (%)</b>	<b>16.66</b>	<b>28.79</b>		<b>16.66</b>	<b>25</b>	
A	Assets						
	Non-Current assets	0.01	180.87	<b>180.88</b>	0.02	38.06	<b>38.08</b>
	Current assets	1.22	253.66	<b>254.88</b>	1.13	40.91	<b>42.04</b>
	<b>Total</b>	<b>1.23</b>	<b>434.53</b>	<b>435.76</b>	<b>1.15</b>	<b>78.97</b>	<b>80.12</b>
B	Liabilities						
	Non-Current Liabilities	0.00	65.89	<b>65.89</b>	-	22.68	22.68
	Current Liabilities	0.03	248.82	<b>248.85</b>	-	28.71	28.71
	<b>Total</b>	<b>0.03</b>	<b>314.71</b>	<b>314.74</b>	-	<b>51.39</b>	<b>51.39</b>
C	Contingent liabilities	0.00	-	<b>0.00</b>	-	-	-
D	Capital commitments	0.00	84.24	<b>84.24</b>	-	-	
		<b>For the Year ended 31.03.2016</b>			<b>For the Year ended 31.03.2015</b>		
E	Total Income	0.09	205.68	<b>205.77</b>	0.09	17.78	<b>17.87</b>
F	Total Expenses	0.00	191.40	<b>191.40</b>	0.07	14.29	<b>14.36</b>

\*Based on Unaudited provisional financials.

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below: (₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.10	96.85	70.10
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.79
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
PFC Green Energy Limited	0.24	0.31	0.43	0.53
PFC Capital Advisory Services Limited	0.19	0.13	0.23	0.52
Cheyur Infra Limited	0.02	0.01	0.02	0.01
Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
<b>Total</b>	<b>313.77</b>	<b>288.72</b>	<b>357.65</b>	<b>299.28</b>

\* Amount is in the nature of advances, does not include any loan.

(ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below: (₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Consulting Limited	2.70	1.88	2.70	9.80
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.72	22.44	23.72	22.44
Tatiya Andhra Mega Power Limited	25.73	24.92	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
<b>Total</b>	<b>383.83</b>	<b>340.18</b>	<b>383.83</b>	<b>350.66</b>

(iii) Loans and Advances, in the nature of loans, to Firms / companies in which directors are interested are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2016	Outstanding as at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Green Energy Limited	11.58	-	11.58	-

B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9. Major Investments made during the year:

The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95
Present value of lease payments recoverable	204.09	212.27
<b>Unearned finance income</b>	<b>160.69</b>	<b>180.68</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	30.06
Later than one year and not later than 5 years	107.54	107.98
Later than five years	230.13	254.91
<b>Total</b>	<b>364.78</b>	<b>392.95</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	7.89	10.06
Later than one year and not later than 5 years	39.52	36.18
Later than five years	156.68	166.03
<b>Total</b>	<b>204.09</b>	<b>212.27</b>

- (ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

(B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 4.65 crore (Previous year ₹ 4.43 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

<b>Future minimum lease rent payments</b>	<b>Year ended 31.03.2016</b>	<b>Year ended 31.03.2015</b>
Not later than one year	3.00	2.11
Later than one year and not later than 5 years	1.05	0.27
Later than 5 years	-	-
<b>Total</b>	<b>4.05</b>	<b>2.38</b>

12. Implementation of GoI Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

- (i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GoI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest



Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

- (ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	111.35	123.87
Add : Received during the period	-	-
: Interest credited during the period	8.87	9.42
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	12.75	21.94
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>107.47</b>	<b>111.35</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

- (i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-

<b>Closing Balance (A)</b>	<b>8,230.45</b>	<b>7,687.84</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>	NA					
<b>C. Interest on loan under R-APDRP</b>	NA					
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				
Additions During the period	182.27	16.59				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>2,278.88</b>	<b>2,567.57</b>				
<b>D. Accumulated Moratorium Interest</b>	NA					
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(34.07)	1.51				
<b>Closing Balance (D)</b>	<b>999.68</b>	<b>38.85</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>	NA					
(i) Accrued but not due						
Opening Balance	0.15	1.42				
Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>62.48</b>	<b>1.33</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>	NA					
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						

Opening Balance	0.02	0.00				
Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
<b>Interest on Interest, Interest on “Interest on Accumulated Moratorium Interest” and Penal Interest (F) = (i + ii + iii)</b>	<b>11.61</b>	<b>0.12</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>11,583.10<sup>(1)</sup></b>	<b>10,295.71</b>			-	-

<sup>(1)</sup> Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016 to MoP, GoI. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to GoI under R-APDRP (Note Part A 4).

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company’s manpower, incurred for operationalising the R– APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company’s claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company’s own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below: (₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	31.03.2015
Nodal agency fee <sup>(1)</sup>	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
<b>Total</b>	<b>23.65</b>	<b>4.82</b>	<b>255.74</b>	<b>232.09</b>

<sup>(1)</sup>Exclusive of Service Tax

### (C) Integrated Power Development Scheme (IPDS)

GoI has launched IPDS for completion of targets laid down under R-APDRP for XII<sup>th</sup> and XIII<sup>th</sup> Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain

conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- i. 1st installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2nd installment: 30% of nodal agency fee on award of approved projects.
- iii. 3rd installment: 20% of nodal agency fee after one year of claiming 2nd installment.
- iv. 4th installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of Govt grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	0.00
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
<b>Closing Balance</b>	<b>358.70</b>	-	-	<b>50.00</b>	-	<b>0.01</b>

13. Asset classification and Provisioning:

A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, Govt. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Rescheduling / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.

B) For asset classification, in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:-

- (i) a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,
- (ii) a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and
- (iii) a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.

	<p>Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31st March of the respective financial year.</p> <p>(iv) During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.</p> <p>C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018.</p> <p>Acceleration of this provision by 0.10%, applicable for FY 2016-17 &amp; FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.</p>
14.	<p>For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI.</p> <p>In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:-</p> <p>(i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity,</p> <p>(ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and</p> <p>(iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.</p>
15.	<p>For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission &amp; Distribution, Renovation &amp; Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value.</p> <p>For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:-</p> <p>(i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R,</p>

- (ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and
- (iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above.

As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by 31.03.2016, 31.03.2017 and 31.03.2018 respectively. Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
<b>(A) Classification of Loan Assets and provision thereon</b>							
(i)	Standard Assets	199,138.19	110.85	597.41	1,94,627.13	17.15	486.57
(ii)	Restructured Standard Assets <sup>(1)</sup>	32,262.98	564.77	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	366.83	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	327.47	721.98	1,315.02	150.76	394.52
(v)	Loss Assets	248.28	239.36	248.28	8.92	0.00	8.92
<b>(B) Other Assets and provision thereon</b>							
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	<b>Grand Total</b>	<b>2,38,921.38</b>	<b>1,609.32</b>	<b>3,185.64</b>	<b>2,17,686.39</b>	<b>842.91</b>	<b>1,576.34</b>

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S. No.	Type of Restructuring		Under CDR / SME Mechanism				Others				Total						
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April, 01 2015	No. of borrowers	Nil				14	1	3	-	18	14	1	3	-	18	
		Amount outstanding (Restructured facility)	Nil				20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88	

		Amount outstanding (Other facility)		-	-	169.78	-	169.78	-	-	169.78	-	169.78
		Provision Thereon		564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63
2	Movement of balance in account appearing in opening balance	No. of borrowers	Nil	10	-	2	-	12	10	-	2	-	12
		Amount outstanding (Restructured facility)		2,113.48	-	192.70	-	2,306.18	2,113.48	-	192.70	-	2,306.18
		Amount outstanding (Other facility)		0.00	-	62.33	-	62.33	0.00	-	62.33	-	62.33
		Provision Thereon		73.97	-	110.70	-	184.67	73.97	-	110.70	-	184.67
3	Fresh restructuring during the year	No. of borrowers	Nil	5	-	-	-	5	5	-	-	-	5
		Amount outstanding (Restructured facility)		14,192.68	-	-	-	14,192.68	14,192.68	-	-	-	14,192.68
		Amount outstanding (Other facility)		-	-	-	-	0.00	0.00	-	-	-	0.00
		Provision Thereon		496.74	-	-	-	496.74	496.74	-	-	-	496.74
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil	-1	-	-	-	-1	-1	-	-	-	-1
		Amount outstanding (Restructured facility)		-1,457.04	-	-	-	-1,457.04	-1,457.04	-	-	-	-1,457.04
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-40.07	-	-	-	-40.07	-40.07	-	-	-	-40.07
6	Down	No. of	Nil	-3	2	1	-	-	-3	2	1	-	

	graduation of restructured accounts during the year	borrowers											
		Amount outstanding (Restructured facility)	-3111.05	3034.42	76.63	-	-	-3111.05	3034.42	76.63	-	-	
		Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	
		Provision Thereon	-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22	
	7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Restructured facility)	-	-	-	-	-	-	-	-	-	-
			Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-
			Provision Thereon	-	-	-	-	-	-	-	-	-	-
	8	Restructured accounts as on March 31, 2016	No. of borrowers	15	3	4	-	22	15	3	4	-	22
			Amount outstanding (Restructured facility)	32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70
			Amount outstanding (Other facility)	-	-	232.11	-	232.11	-	-	232.11	-	232.11
			Provision Thereon	1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88

18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. Disclosures as per Accounting Standard –15 :-

**A. Provident fund**

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

**B. Gratuity**

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the



same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2016 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 (0.21)	4.15 (3.63)	6.39 (5.06)

\*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1%	₹ 3.00 crore
Cost decrease by 1%	₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous

year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.07	7.64
iii)	Mutual Funds	0.15	-
	<b>Total</b>	<b>19.97</b>	<b>18.65</b>

<sup>(1)</sup>As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
Future salary increase*	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ in crore)

Gratuity*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

\*The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly,

composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ in crore)

PRMS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	0.00

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	0.00

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	0.00

20. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.86)	0.27 (0.21)	0.22 (0.99)	- (-)	0.13 (0.08)
Provision for super annuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	23.42 (20.66)	6.40 (5.06)	2.93 (2.30)	- (-)	26.89 (23.42)

Economic Rehabilitation Scheme for employee	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	10.90 (17.75)	9.22 (12.09)	8.89 (18.94)	-1.36 (0.00)	9.87 (10.90)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc. <sup>(1)</sup>	1,576.34 (733.43)	1,609.32 (842.91)	0.00 (0.00)	- (-)	3,185.66 (1,576.34)
Provision for dimunition in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.30 (32.33)	145.79 (117.49)	157.93 (35.52)	- (-)	102.16 (114.30)
Income Tax	6,211.19 (4,630.44)	2,822.26 (2,502.42)	1,519.87 (921.67)	- (-)	7,513.58 (6,211.19)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

<sup>(1)</sup>As detailed at Note Part – C 16.

21. (a) Details of gross amount required to be spent by the Company during the year

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	145.79	117.49
Carry forward from previous year	114.30	32.33
Gross amount required to be spent	260.09	149.82

(b) Amount spent during the year on:

(₹ in crore)

S. No.	Particulars	FY 2015-16			FY 2014-15		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
	Sanitation / Waste Management / Drinking water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy	4.10	0.50	4.60	14.05	-	14.05

	efficient LED lighting)						
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
	<b>Total (ii)</b>	<b>157.17</b>	<b>0.76</b>	<b>157.93</b>	<b>34.93</b>	<b>0.59</b>	<b>35.52</b>
	<b>Grand Total (i) and (ii)</b>			<b>157.93</b>			<b>35.52</b>

- c) Details of related party transactions as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).
- d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.
- e) During the year ended 31.03.2016, an amount of ₹ 192.13 crore (Previous year ₹ 49.90 crore) has been disbursed against CSR activities.

22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

S.No.	Significant Accounting Policy		Modifications
	No.	Title	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 6.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	3.1, 3.2 and 3.4	Tangible assets / Depreciation	Term “Fixed assets” replaced with “Tangible assets” to align with the assets dealt under the policy i.e. Tangible Assets.
4.	3.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	4.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	6	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading “Provisions / write off against Loans and Advances” has also been suitably modified.
7.	7	Foreign Currency Transactions	Heading “Foreign Exchange Transactions” has been substituted with “Foreign Currency Transactions” to bring in clarity.
8.	9	Accounting of Gol Schemes	Para 9.2 deleted to remove redundancy.
9.	12.1 and 12.2	Employee Benefits	The word “(Revised)” suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23.	<p>Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given below:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Category of Assets</th> <th>Useful Life in Years</th> <th>Residual value as a % of original Cost</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Building</td> <td>60</td> <td>5%</td> </tr> <tr> <td>2</td> <td>EDP Equipment</td> <td></td> <td></td> </tr> <tr> <td>2A</td> <td>Servers and networks</td> <td>6</td> <td>5%</td> </tr> <tr> <td>2B</td> <td>End user devices i.e. desktops, laptops etc.</td> <td>3</td> <td>5%</td> </tr> <tr> <td>3.</td> <td>Office and other Equipment</td> <td>5</td> <td>5%</td> </tr> <tr> <td>3A</td> <td>Cell Phone</td> <td>2</td> <td>5%</td> </tr> <tr> <td>4.</td> <td>Furniture &amp; Fixture</td> <td>10</td> <td>5%</td> </tr> <tr> <td>5.</td> <td>Vehicle (Car )</td> <td>8</td> <td>5%</td> </tr> <tr> <td>6.</td> <td>Intangible Assets</td> <td>5</td> <td>0%</td> </tr> </tbody> </table> <p>All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.</p>	S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost	1.	Building	60	5%	2	EDP Equipment			2A	Servers and networks	6	5%	2B	End user devices i.e. desktops, laptops etc.	3	5%	3.	Office and other Equipment	5	5%	3A	Cell Phone	2	5%	4.	Furniture & Fixture	10	5%	5.	Vehicle (Car )	8	5%	6.	Intangible Assets	5	0%
S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost																																						
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4.	Furniture & Fixture	10	5%																																						
5.	Vehicle (Car )	8	5%																																						
6.	Intangible Assets	5	0%																																						
24.	The Company has no outstanding liability towards Micro, Small and Medium enterprises.																																								
25.	Leasehold land is not amortized, as it is a perpetual lease.																																								
26.	<p>The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.</p> <p>The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.</p>																																								
27.	As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.																																								
28.	During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.																																								
29.	<p>Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1"> <thead> <tr> <th>Description</th> <th>As at 31.03.2016</th> <th>As at 31.03.2015</th> </tr> </thead> <tbody> <tr> <td><b>(A) Deferred Tax Asset (+)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Provision for expenses not deductible under Income Tax Act</td> <td>18.29</td> <td>11.25</td> </tr> <tr> <td><b>(B) Deferred Tax Liabilities (-)</b></td> <td></td> <td></td> </tr> <tr> <td>(i) Depreciation</td> <td>(0.07)</td> <td>(0.25)</td> </tr> <tr> <td>(ii) Lease income</td> <td>(68.73)</td> <td>(72.19)</td> </tr> </tbody> </table>	Description	As at 31.03.2016	As at 31.03.2015	<b>(A) Deferred Tax Asset (+)</b>			(i) Provision for expenses not deductible under Income Tax Act	18.29	11.25	<b>(B) Deferred Tax Liabilities (-)</b>			(i) Depreciation	(0.07)	(0.25)	(ii) Lease income	(68.73)	(72.19)																						
Description	As at 31.03.2016	As at 31.03.2015																																							
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(iii) Amortization	(0.47)	(0.60)
(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)
<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(302.06)</b>	<b>(189.25)</b>

30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2016	During year ended 31.03.2015
Net Profit after tax used as numerator (₹ in crore)	6,113.48	5,959.33
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each(basic) (₹)	46.31	45.15
Effect of outstanding Stock Options (₹)	-	0.00
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.31	45.15

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	88% <sup>(1)</sup>	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45% <sup>(2)</sup>	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
<b>Total Dividend</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>	<b>91%</b>	<b>9.10</b>	<b>1,201.24</b>

<sup>(1)</sup>Declared by Board of Directors in their 341<sup>st</sup> meeting held on 16.12.2015 and paid on 04.01.2016.

<sup>(2)</sup>Declared by Board of Directors in their 343<sup>rd</sup> meeting held on 09.02.2016 and paid on 24.02.2016.

(B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Year to which the dividend relates						
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776



	of ₹ 10 each						
	Gross amount of Dividend (₹ in crore)	1.07	0.61	0.67	NA	NA	0.05
32.	Other key financial parameters:						
	<b>Description</b>			<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>		
	Debt Equity Ratio			5.61	5.83		
	Net worth (₹ in crore)			35,766.03	32,219.21		
33.	Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:						
	<b>Items</b>			<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>		
(i)	Capital Fund - a. Tier I (₹ in crore)			33,217.38	30,099.55		
	- b. Tier II (₹ in crore)			6,224.90	6,011.08		
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)			1,94,558.46	1,77,542.35		
(iii)	CRAR			20.27%	20.34%		
(iv)	CRAR – Tier I Capital			17.07%	16.95%		
(v)	CRAR – Tier II Capital			3.20%	3.39%		
				<b>During the year ended 31.03.2016</b>	<b>During the year ended 31.03.2015</b>		
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)			-	-		
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)			-	-		

34. **Additional disclosures in accordance with RBI directions on Corporate Governance**

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) **Capital**

Reference may be made to Note Part C - 33 for CRAR.

(C) **Investments**

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	2,774.79	852.38
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	97.32	1.06
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	2,677.47	851.32
	(b) Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	1.06	0.00
	(ii) Add : Provisions made during the year	96.26	1.06
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	97.32	1.06

(D) **Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- a. Company has put in place Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy,

a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.

- c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.
- d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular	As at 31.03.2016		As at 31.03.2015	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	6.54	125.42	12.86	86.05
	b) Liability (-MTM)	181.39	3.70	294.66	43.92
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	10,070.22	8,587.86	8,514.73	6,292.68

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

(E) Disclosures related to Securitisation

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).
- II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,124.16	396.04	1,069.45	20,866.40	8,596.10	36,410.72	41,260.26	126,897.47	238,620.60
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	410.74	0.00	0.00	2,266.73	2,677.47
Borrowings <sup>(3)</sup>	9,366.68	9,350.00	3,393.00	4,818.60	7,277.83	55,701.03	36,312.50	63,859.11	190,078.75

Foreign Currency assets	5.14	0.00	0.00	12.23	17.37	5.14	144.41	115.31	<b>299.60</b>
Foreign Currency liabilities	4.78	0.00	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	<b>10,775.59</b>

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

### (G) Exposures

I. Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2016	Amount as at 31.03.2015
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	869.64	844.70
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	1,076.71
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil

(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
<b>Total Exposure to Capital Market</b>		<b>2,619.92</b>	<b>4,026.91</b>

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2015-16 and FY 2014-15.

V. Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2016 (Previous year Nil).

(H) Registration obtained from other financial sector regulators

Nil. .

(I) **Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by Gol.

(J) **Credit rating**

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2016:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable

3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)
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**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.

**(N) Provisions and Contingencies**

Reference may be made to Note Part C - 20 for provisions and contingencies.

**(O) Draw Down from Reserves**

Nil (Previous year refer note Part A-2)

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Advances to 20 largest borrowers	1,49,625.35	1,34,468.69
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.63%	61.77%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers / customers	2,10,983.79	2,02,132.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.43%	55.77%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) **Movement of NPAs in respect of Loan Assets**

(₹ In Crore)

Sl. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)	2.55	0.93
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	2,533.31	1,331.54
(b)	Additions during the year	8,385.58	2,548.77
(c)	Reductions during the year	(3,399.85)*	(1,347.00)
(d)	Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs		
(a)	Opening balance	2,008.96	1,068.48
(b)	Additions during the year	7,111.93	2,265.41
(c)	Reductions during the year	(3,059.87)*	(1,324.93)
(d)	Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	524.35	263.06
(b)	Provisions made during the year	1,273.66	283.36
(c)	Write-off / write-back of excess provisions	(339.99)*	(22.07)
(d)	Closing balance	1,458.02	524.35

\*Reference may be made to Note Part –C 18.

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) **Customer Complaints for FY 2015-16**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

35. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide

	finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
36.	Figures have been rounded off to the nearest crore of rupees with two decimals.
37.	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.



Capitalization Statement (Standalone) 2018, 2017 and 2016

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
	IGAAP	IGAAP	IGAAP
<b>Debts</b>			
Short term Debt - Current	6,924.74	2,400.79	7,571.57
Long term Debt - Non- Current	1,91,498.68	1,74,841.36	1,72,549.70
- Current	31,114.93	25,345.89	20,363.17
<b>Total Debt</b>	<b>2,29,538.35</b>	<b>2,02,588.04</b>	<b>2,00,484.44</b>
<b>Shareholders' Fund</b>			
Share Capital	2,640.08	2,640.08	1,320.04
Reserves & Surplus	37,220.59	33,830.13	34,445.99
<b>Net Worth</b>	<b>39,860.67</b>	<b>36,470.21</b>	<b>35,766.03</b>
Longterm Debt* / Networth	4.80	4.79	4.82
<b>Total Debt / Networth</b>	<b>5.76</b>	<b>5.55</b>	<b>5.61</b>

\*Excludes current maturity of Long term Debt

**Statement of dividend paid (Standalone)**

Rs. in crore

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
	IGAAP	IGAAP	IGAAP
Face value of equity shares	10.00	10.00	10.00
Equity share capital	2,640.08	2,640.08	1,320.04
Amount of dividend			
Interim dividend paid	2,059.26	1,320.04	1,755.66
Proposed final dividend	0.00	0.00	79.20
<b>Total</b>	<b>2,059.26</b>	<b>1,320.04</b>	<b>1,834.86</b>
Rate of dividend (%)	78.00%	50.00%	139.00%
Corporate dividend tax	404.41	268.73	372.86

**Accounting Ratios (Standalone)**

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
	IGAAP	IGAAP	IGAAP
Net Profit After Tax	5,855.22	2,126.39	6,113.48
Weighted Average Number of Equity shares outstanding during the Year (Basic)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704
Weighted Average Number of Equity shares outstanding during the Year (Diluted)	2,64,00,81,408	2,64,00,81,408	1,32,00,40,704
Networth	39,860.67	36,470.21	35,766.03
Average Networth	38,165.44	36,118.12	33,992.62
Accounting Ratios:			
Basic and Diluted Earning Per Share (₹)	22.18	8.05	46.31
Net Asset Value per Share (₹)	150.98	138.14	270.95
Return on Average Net worth (%)	15.35%	5.89%	17.98%
Long term Debt <sup>*₵</sup> / Networth (Times)	4.80	4.79	4.82
Total Debt <sup>₵</sup> / Net worth (Times)	5.76	5.55	5.61

\* Excludes current maturity of Long term Debt under IGAAP.

₵ Principal outstanding.

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

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

**Independent Auditor's Review Report on Unaudited Standalone Financial Results for the Quarter and Half Year Ended 30<sup>th</sup> September 2020 of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Power Finance Corporation Limited (the "Company") for the quarter and half year ended 30.09.2020 together with the notes thereon (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 12.11.2020, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatements.

**Other Matters**

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



6. Refer Note. 7 of the standalone financial results regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there is no reason to believe that the pandemic will have any significant impact on the ability of the Company to continue as a going concern.

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

**FOR GANDHI MINOCHA & CO.**

*Chartered Accountants*

Firm's Registration No.: 000458N



**CA MANOJ BHARDWAJ**

*Partner*

Membership No. 098606

UDIN: 20098606AAAACV7771

**FOR DASS GUPTA & ASSOCIATES**

*Chartered Accountants*

Firm's Registration No.: 000112N



**CA ASHOK KUMAR JAIN**

*Partner*

Membership No. 090563

UDIN: 20090563AAAACN7884

**Date: 12.11.2020**

**Place: New Delhi**



**Power Finance Corporation Limited**  
**Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi**  
**Statement of Standalone Financial Results for the Quarter and Half Year Ended 30.09.2020**

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	<b>Revenue from Operations</b>						
(i)	Interest Income	9,193.91	8,749.01	7,989.83	17,942.92	15,521.13	31,950.42
(ii)	Dividend Income	6.60	-	0.77	6.60	1.24	1,289.52
(iii)	Fees and Commission Income	30.49	8.66	31.94	39.15	77.49	122.96
<b>I.</b>	<b>Total Revenue from Operations</b>	<b>9,231.00</b>	<b>8,757.67</b>	<b>8,022.54</b>	<b>17,988.67</b>	<b>15,599.86</b>	<b>33,362.90</b>
<b>II.</b>	<b>Other Income</b>	<b>0.95</b>	<b>16.75</b>	<b>1.75</b>	<b>17.70</b>	<b>7.00</b>	<b>8.16</b>
<b>III.</b>	<b>Total Income (I+II)</b>	<b>9,231.95</b>	<b>8,774.42</b>	<b>8,024.29</b>	<b>18,006.37</b>	<b>15,606.86</b>	<b>33,371.06</b>
	<b>Expenses</b>						
(i)	Finance Costs	5,829.42	5,676.18	5,438.81	11,505.60	10,804.94	21,853.19
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	(428.07)	232.64	561.28	(195.43)	537.62	2,633.42
(iii)	Fees and Commission Expense	3.27	2.98	1.67	6.25	4.08	10.76
(iv)	Net Loss / (Gain) on Fair Value changes	304.80	114.53	(204.65)	419.33	(207.38)	(699.05)
(v)	Impairment on Financial Instruments	953.17	353.04	390.48	1,306.21	611.87	991.22
(vi)	Employee Benefit Expenses	48.07	50.55	59.12	98.62	109.10	193.82
(vii)	Depreciation, Amortisation and Impairment	2.40	1.94	2.02	4.34	3.74	9.10
(viii)	Corporate Social Responsibility Expenses	5.28	205.06	25.84	210.34	36.28	97.15
(ix)	Other Expenses	18.06	11.15	21.07	29.21	37.33	88.91
<b>IV.</b>	<b>Total Expenses</b>	<b>6,736.40</b>	<b>6,648.07</b>	<b>6,295.64</b>	<b>13,384.47</b>	<b>11,937.58</b>	<b>25,178.52</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>	<b>2,495.55</b>	<b>2,126.35</b>	<b>1,728.65</b>	<b>4,621.90</b>	<b>3,669.28</b>	<b>8,192.54</b>
<b>VI.</b>	<b>Exceptional Items</b>	-	-	-	-	-	-
<b>VII.</b>	<b>Profit/(Loss) Before Tax (V-VI)</b>	<b>2,495.55</b>	<b>2,126.35</b>	<b>1,728.65</b>	<b>4,621.90</b>	<b>3,669.28</b>	<b>8,192.54</b>
	<b>Tax Expense:</b>						
	(1) Current Tax:						
	- Current Year	598.28	437.20	97.40	1,035.48	669.27	1,406.73
	- Earlier Years	-	43.52	-	43.52	-	17.75
	(2) Deferred Tax	(187.78)	(53.93)	473.99	(241.71)	459.99	1,112.92
<b>VIII.</b>	<b>Total Tax Expense</b>	<b>410.50</b>	<b>426.79</b>	<b>571.39</b>	<b>837.29</b>	<b>1,129.26</b>	<b>2,537.40</b>
<b>IX.</b>	<b>Profit/(Loss) for the period from Continuing Operations (VII-VIII)</b>	<b>2,085.05</b>	<b>1,699.56</b>	<b>1,157.26</b>	<b>3,784.61</b>	<b>2,540.02</b>	<b>5,655.14</b>
<b>X.</b>	<b>Profit/(Loss) from Discontinued Operations (After Tax)</b>	-	-	-	-	-	-
<b>XI.</b>	<b>Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)</b>	<b>2,085.05</b>	<b>1,699.56</b>	<b>1,157.26</b>	<b>3,784.61</b>	<b>2,540.02</b>	<b>5,655.14</b>
<b>XII.</b>	<b>Other Comprehensive Income</b>						
(A)	(i) Items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	(1.28)	(1.27)	1.36	(2.55)	0.45	(5.09)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(38.18)	6.20	(149.28)	(31.98)	(131.14)	(287.11)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	0.26	0.26	(0.74)	0.52	(0.32)	0.08
	<b>Sub-Total (A)</b>	<b>(39.20)</b>	<b>5.19</b>	<b>(148.66)</b>	<b>(34.01)</b>	<b>(131.01)</b>	<b>(292.12)</b>
(B)	(i) Items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	26.57	(84.52)	(24.02)	(57.95)	(12.95)	(46.74)
	- Cost of Hedging Reserve	(22.33)	6.47	-	(15.86)	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(6.68)	21.27	(0.40)	14.59	(4.27)	4.23
	- Cost of Hedging Reserve	5.62	(1.63)	-	3.99	-	-
	<b>Sub-Total (B)</b>	<b>3.18</b>	<b>(58.41)</b>	<b>(24.42)</b>	<b>(55.23)</b>	<b>(17.22)</b>	<b>(42.51)</b>
	<b>Other Comprehensive Income (A+B)</b>	<b>(36.02)</b>	<b>(53.22)</b>	<b>(173.08)</b>	<b>(89.24)</b>	<b>(148.23)</b>	<b>(334.63)</b>
<b>XIII.</b>	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>2,049.03</b>	<b>1,646.34</b>	<b>984.18</b>	<b>3,695.37</b>	<b>2,391.79</b>	<b>5,320.51</b>
<b>XIV.</b>	<b>Paid up Equity Share Capital (Face Value ₹ 10/- each)</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>
<b>XV.</b>	<b>Other Equity (As per Audited Balance Sheet as at 31st March)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>42,524.05</b>
<b>XVI.</b>	<b>Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:</b>						
	(1) For continuing operations (in ₹)	7.90	6.44	4.38	14.34	9.62	21.42
	(2) For discontinued operations (in ₹)	-	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	7.90	6.44	4.38	14.34	9.62	21.42

\* 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 30.09.2020 (Un-Audited)	As at 31.03.2020 (Audited)
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and Cash Equivalents	307.81	182.52
(b)	Bank Balance other than included in Cash and Cash Equivalents	878.15	16.47
(c)	Derivative Financial Instruments	1,380.77	1,863.42
(d)	Loans	3,60,074.05	3,34,112.60
(e)	Investments	16,685.05	16,473.32
(f)	Other Financial Assets	5,319.46	5,339.12
	<b>Total Financial Assets (1)</b>	<b>3,84,645.29</b>	<b>3,57,987.45</b>
<b>2</b>	<b>Non- Financial Assets</b>		
(a)	Current Tax Assets (Net)	374.21	651.31
(b)	Deferred Tax Assets (Net)	3,212.94	2,952.12
(c)	Property, Plant and Equipment	31.33	31.35
(d)	Intangible Assets	0.34	0.41
(e)	Right-of-use Assets	35.52	35.75
(f)	Other Non-Financial Assets	207.49	128.87
	<b>Total Non- Financial Assets (2)</b>	<b>3,861.83</b>	<b>3,799.81</b>
	<b>Total Assets (1+2)</b>	<b>3,88,507.12</b>	<b>3,61,787.26</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative Financial Instruments	616.16	599.82
(b)	Debt Securities	2,35,751.18	2,21,847.67
(c)	Borrowings (other than Debt Securities)	87,219.20	79,116.06
(d)	Subordinated Liabilities	9,671.57	9,310.95
(e)	Other Financial Liabilities	5,361.62	5,375.16
	<b>Total Financial Liabilities (1)</b>	<b>3,38,619.73</b>	<b>3,16,249.66</b>
<b>2</b>	<b>Non- Financial Liabilities</b>		
(a)	Current Tax Liabilities (Net)	67.28	0.11
(b)	Provisions	258.59	264.29
(c)	Other Non-Financial Liabilities	183.29	109.07
	<b>Total Non- Financial Liabilities (2)</b>	<b>509.16</b>	<b>373.47</b>
	<b>Total Liabilities (1+2)</b>	<b>3,39,128.89</b>	<b>3,16,623.13</b>
<b>3</b>	<b>Equity</b>		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	46,738.15	42,524.05
	<b>Total Equity (3)</b>	<b>49,378.23</b>	<b>45,164.13</b>
	<b>Total Liabilities and Equity (1+2+3)</b>	<b>3,88,507.12</b>	<b>3,61,787.26</b>





2. Standalone Statement of Cash Flows for the Half Year ended 30.09.2020

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2020		Half Year ended 30.09.2019	
I.	<b>Cash Flow from Operating Activities :-</b>				
	<b>Profit before Tax</b>	<b>4,621.90</b>		<b>3,669.28</b>	
	<b>Adjustments for:</b>				
	Loss on derecognition of Property, Plant and Equipment (net)	0.70		0.28	
	Depreciation and Amortisation	4.34		3.74	
	Interest expense on Zero Coupon Bonds and Commercial Papers	(76.03)		212.37	
	Unrealised Foreign Exchange Translation Loss / (Gain)	253.05		524.66	
	Net Change in Fair Value	419.33		-	
	Impact of Effective Interest Rate on Loans	2.66		4.54	
	Impairment on Financial Instruments	1,306.21		611.87	
	Interest income on Investments	(91.02)		(106.49)	
	Interest on Interest Subsidy Fund	0.71		0.69	
	Provision for Retirement Benefits etc.	(0.18)		27.40	
	Dividend Income	(6.60)		(1.24)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	95.68		(70.45)	
	Interest on Income Tax Refund	(9.67)		(0.57)	
	Interest expenses on Lease Liability	0.39		0.39	
	<b>Operating profit before Working Capital Changes:</b>	<b>6,521.46</b>		<b>4,876.47</b>	
	<b>Increase / Decrease :</b>				
	Loans (Net)	(27,425.33)		(12,306.74)	
	Other Financial and Non-Financial Assets	(913.43)		13,816.92	
	Derivative	(1.32)		(292.45)	
	Other Financial & Non-Financial Liabilities and Provisions	1,459.20		1,570.40	
	<b>Cash Flow from Operations Before Tax</b>	<b>(20,359.42)</b>		<b>7,664.60</b>	
	Income Tax paid	(1,029.02)		(987.33)	
	Income Tax Refund	294.12		56.84	
	<b>Net Cash flow from Operating Activities</b>		<b>(21,094.32)</b>		<b>6,734.11</b>
II.	<b>Cash Flow From Investing Activities :</b>				
	Proceeds from disposal of Property, Plant and Equipment	0.11		0.07	
	Purchase of Property, Plant and Equipment	(4.83)		(5.31)	
	Interest income on investment	41.64		108.13	
	Dividend on investment	6.60		1.24	
	Increase / Decrease in Other Investments	9.25		3.03	
	<b>Net Cash Used in Investing Activities</b>		<b>52.77</b>		<b>107.16</b>
III.	<b>Cash Flow From Financing Activities :</b>				
	Raising of Bonds (including premium) (Net of Redemptions)	10,291.69		80.80	
	Raising of Long Term Loans (Net of Repayments)	8,971.00		495.43	
	Raising of Foreign Currency Loans (Net of Repayments)	(1,738.86)		11,738.29	
	Raising of Subordinated Liabilities (Net of Redemptions)	(0.00)		0.00	
	Raising of Commercial paper (Net of Repayments)	3,120.00		(7,000.00)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	524.42		(12,452.68)	
	Unclaimed Bonds (Net)	(0.95)		(0.62)	
	Unclaimed Dividend (Net)	(0.28)		(0.01)	
	Payment of Lease Liability	(0.19)		(0.39)	
	<b>Net Cash in-flow from Financing Activities</b>		<b>21,166.83</b>		<b>(7,139.18)</b>
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>		<b>125.29</b>		<b>(297.91)</b>
	Add : Cash and Cash Equivalents at beginning of the financial year		182.52		308.48
	<b>Cash and Cash Equivalents at the end of the period</b>		<b>307.81</b>		<b>10.57</b>
	<b>Details of Cash and Cash Equivalents at the end of the period:</b>				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	284.12		10.57	
	In Term Deposit Accounts	23.69	307.81	-	10.57
	ii) Cheques, Drafts on hand including postage and Imprest		0.00		0.00
	<b>Total Cash and Cash Equivalents at the end of the period</b>		<b>307.81</b>		<b>10.57</b>

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





- 3 The unaudited standalone financial results of the Company have been reviewed & recommended by Audit Committee and subsequently approved and taken on record by Board of Directors of the Company in their respective meetings held on 12.11.2020. The same have been limited reviewed by Joint Statutory Auditors of the Company viz. Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4 The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

- 5 Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company as per Ind AS 109 is as under.

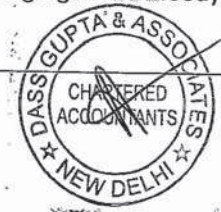
		(₹ in crore)	
S. No.	Particulars	As on 30.09.2020	As on 31.03.2020
a)	Credit Impaired loans	26,526.78	27,871.70
b)	Impairment Loss Allowance Maintained	14,932.00	14,748.46
c)	Impairment Loss Allowance Coverage (%) (b/a)	56.29%	52.92%

- 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 outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Company to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Company is given at **Annexure - 'A'**.
- 8 For all secured bonds issued by the Company and outstanding as at 30.09.2020, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.
- 9 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.

- 10 Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 as amended:

Particulars	As on 30.09.2020	As on 31.03.2020
(i) Debt Equity Ratio	6.57	6.72
(ii) Outstanding Redeemable Preference Shares	-	-
(iii) Debenture Redemption Reserve (₹ in crore)	-	-
(iv) Net Worth (₹ in crore)	49,378.23	45,164.13

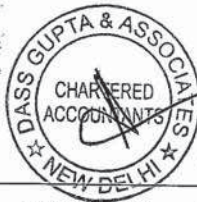
(v) During the half year ended 30.09.2020, ratings for the Company's long-term domestic borrowing programme (including bank loans) continued to be the highest rating of CRISIL AAA, ICRA AAA and CARE AAA as assigned by domestic rating agencies CRISIL, ICRA and CARE respectively. The Company's short-term 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 and BBB- assigned by International Credit Rating Agencies Moody's and Fitch respectively.



(vi) The Company has been raising funds through various instruments including series of non-convertible bond issues. During the half year ended 30.09.2020, the Company has not defaulted in servicing of its borrowings. Details of payment of interest/principal of the Non-convertible Debentures/Commercial papers in accordance of Regulation 52(4)(d) and Regulation 52(4) (e) of SEBI LODR,2015 is given at **Annexure- 'B'**.

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

PLACE: NEW DELHI  
DATE: 12.11.2020



**R.S. Dhillon**  
**Chairman & Managing Director**  
**DIN - 00278074**



### Impact of COVID 19 on the Company

The outbreak of COVID-19 has caused significant disturbances in financial structures across the globe. In India, a nationwide lockdown was declared by Central Government in March, 2020. However, with the gradual unlocking across the country, the economic activities are gradually resuming. The Company continues to leverage its technological capabilities to carry its operations remotely as well.

Power consumption clocked double digit YoY growth of 12.10 % in October, buoyed by recovery in commercial and industrial activity as compared to a growth of 4.60 % in September, 2020. To mitigate the burden of debt servicing brought about by the disruptions of the business activities, the company in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated 27.03.2020, 17.04.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. In pursuance of the moratorium policy, an amount of ₹ 20,557 crore falling due from 01.03.2020 to 31.08.2020 has been granted moratorium.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company, up to 31.10.2020, has sanctioned an amount of ₹ 59,067 crore under this scheme of liquidity package to eligible Discoms.

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

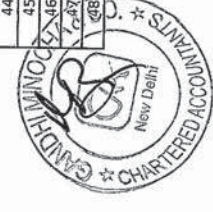
In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Company will,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





Annexure - 'B' : Details of payment of interest/principal of the Non-convertible Debentures/Commercial papers in accordance of Regulation 52(d) and Regulation 52(d) (e) of SEBI LODR, 2015

Sr no	Instrument type	Instrument Series	ISIN No.	Amount Outstanding (Rs in crore) as on 30-09-2020		Previous due date		Interest		Principal	
				Interest	Principal	Interest	Principal	Amount (Rs in crore)	Next due date	Amount (Rs in crore)	Next due date
1	Infrastructure Bonds	Infrastructure Bonds (2011-12) - tranche 1 - Series I	INE134E07158	21.85	22-Nov-16	23-Nov-20	0.62	21-Nov-21	21.85	21-Nov-21	21.85
2	Infrastructure Bonds	Infrastructure Bonds (2011-12) - tranche 1 - Series II	INE134E07166	36.34	22-Nov-16	21-Nov-21	45.83	21-Nov-21	36.34	21-Nov-21	36.34
3	Infrastructure Bonds	Infrastructure Bonds (2011-12) - tranche 1 - Series III	INE134E07174	2.86	22-Nov-16	23-Nov-20	0.08	21-Nov-26	2.86	21-Nov-26	2.86
4	Infrastructure Bonds	Infrastructure Bonds (2011-12) - tranche 1 - Series IV	INE134E07182	7.77	22-Nov-18	21-Nov-26	19.58	21-Nov-26	7.77	21-Nov-26	7.77
5	Infrastructure Bonds	IF 10-11 1	INE134E07075	49.95	31-Mar-20	31-Mar-21	4.15	31-Mar-21	49.95	31-Mar-21	49.95
6	Infrastructure Bonds	IF 10-11 2	INE134E07083	109.11	04-Apr-16	31-Mar-21	133.09	31-Mar-21	109.11	31-Mar-21	109.11
7	Infrastructure Bonds	IF 10-11 3	INE134E07091	5.27	31-Mar-18	31-Mar-21	0.45	31-Mar-21	5.27	31-Mar-21	5.27
8	Infrastructure Bonds	IF 10-11 4	INE134E07109	19.33	03-Apr-18	31-Mar-26	46.40	30-Mar-22	19.33	30-Mar-22	19.33
9	Tax Free Bonds	136	INE134E07121	300.00	17-Jul-20	17-Jul-21	21.48	17-Jul-25	300.00	17-Jul-25	300.00
10	Tax Free Bonds	94-A	INE134E07299	255.00	22-Nov-19	22-Nov-20	18.39	22-Nov-22	255.00	22-Nov-22	255.00
11	Tax Free Bonds	94-B	INE134E07307	25.00	22-Nov-19	22-Nov-20	1.85	22-Nov-27	25.00	22-Nov-27	25.00
12	Tax Free Bonds	95-A	INE134E07315	30.00	29-Nov-19	29-Nov-20	2.17	29-Nov-22	30.00	29-Nov-22	30.00
13	Tax Free Bonds	95-B	INE134E07323	100.00	29-Nov-19	29-Nov-20	7.38	29-Nov-27	100.00	29-Nov-27	100.00
14	Tax Free Bonds	107-A	INE134E07372	113.00	30-Aug-20	30-Aug-21	9.05	30-Aug-23	113.00	30-Aug-23	113.00
15	Tax Free Bonds	107-B	INE134E07380	1,011.10	30-Aug-20	30-Aug-21	85.54	30-Aug-28	1,011.10	30-Aug-28	1,011.10
16	Tax Free Bonds	79-A	INE134E07117	205.23	15-Oct-19	15-Oct-20	15.41	15-Oct-21	205.23	15-Oct-21	205.23
17	Tax Free Bonds	79-B	INE134E07125	217.99	15-Oct-19	15-Oct-20	16.89	15-Oct-26	217.99	15-Oct-26	217.99
18	Tax Free Bonds	80-A	INE134E07133	334.31	25-Nov-19	25-Nov-20	27.05	25-Nov-21	334.31	25-Nov-21	334.31
19	Tax Free Bonds	80-B	INE134E07141	197.09	06-Jan-20	04-Jan-21	14.17	04-Jan-23	197.09	04-Jan-23	197.09
20	Tax Free Bonds	7.19% 10YEARS TAX FREE BONDS 12-13 TR 1 SERIES 1	INE134E07331	197.09	06-Jan-20	04-Jan-21	11.20	04-Jan-23	197.09	04-Jan-23	197.09
21	Tax Free Bonds	7.69% 10YEARS TAX FREE BONDS 2012-13 TR 1 SERIES-1	INE134E07349	145.66	06-Jan-20	04-Jan-21	11.98	04-Jan-28	145.66	04-Jan-28	145.66
22	Tax Free Bonds	7.86% 15YEARS TAX FREE BONDS 2012-13 TR 1 SERIES-2	INE134E07349	162.72	06-Jan-20	04-Jan-21	11.98	04-Jan-28	162.72	04-Jan-28	162.72
23	Tax Free Bonds	7.86% 15YEARS TAX FREE BONDS 2012-13 TR 1 SERIES-2	INE134E07349	194.28	06-Jan-20	04-Jan-21	15.27	04-Jan-28	194.28	04-Jan-28	194.28
24	Tax Free Bonds	8.18% TAX FREE BONDS 13-14 SERIES 1A	INE134E07414	325.08	18-Nov-19	16-Nov-20	26.59	16-Nov-23	325.08	16-Nov-23	325.08
25	Tax Free Bonds	8.43% TAX FREE BONDS 13-14 SERIES 1B	INE134E07422	335.47	18-Nov-19	16-Nov-20	28.28	16-Nov-23	335.47	16-Nov-23	335.47
26	Tax Free Bonds	8.59% TAX FREE BONDS 13-14 SERIES 2A	INE134E07430	932.70	18-Nov-19	16-Nov-20	79.65	16-Nov-28	932.70	16-Nov-28	932.70
27	Tax Free Bonds	8.79% TAX FREE BONDS 13-14 SERIES 2B	INE134E07448	353.32	18-Nov-19	16-Nov-20	31.06	16-Nov-28	353.32	16-Nov-28	353.32
28	Tax Free Bonds	8.67% TAX FREE BONDS 13-14 SERIES 3A	INE134E07455	1,067.38	18-Nov-19	16-Nov-20	92.54	16-Nov-33	1,067.38	16-Nov-33	1,067.38
29	Tax Free Bonds	8.92% TAX FREE BONDS 13-14 SERIES 3B	INE134E07463	861.96	18-Nov-19	16-Nov-20	76.89	16-Nov-33	861.96	16-Nov-33	861.96
30	Tax Free Bonds	TF 11-12 1	INE134E07190	2,752.55	15-Oct-19	15-Oct-20	225.71	01-Feb-22	2,752.55	01-Feb-22	2,752.55
31	Tax Free Bonds	TF 11-12 2	INE134E07208	1,280.58	15-Oct-19	15-Oct-20	106.29	01-Feb-27	1,280.58	01-Feb-27	1,280.58
32	Tax Free Bonds	TF TR2 12-13	INE134E07356	52.90	30-Mar-20	28-Mar-21	3.64	28-Mar-23	52.90	28-Mar-23	52.90
33	Tax Free Bonds	TF TR2 12-13	INE134E07356	43.26	30-Mar-20	28-Mar-21	3.19	28-Mar-23	43.26	28-Mar-23	43.26
34	Tax Free Bonds	TF TR2 12-13	INE134E07364	10.25	30-Mar-20	28-Mar-21	0.72	28-Mar-28	10.25	28-Mar-28	10.25
35	Tax Free Bonds	TF TR2 12-13	INE134E07364	58.96	30-Mar-20	28-Mar-21	4.45	28-Mar-28	58.96	28-Mar-28	58.96
36	Tax Free Bonds	TF 1A	INE134E07539	75.10	17-Oct-19	17-Oct-20	5.34	17-Oct-25	75.10	17-Oct-25	75.10
37	Tax Free Bonds	TF 1B	INE134E07547	79.35	17-Oct-19	17-Oct-20	5.84	17-Oct-25	79.35	17-Oct-25	79.35
38	Tax Free Bonds	TF 2A	INE134E07554	131.33	17-Oct-19	17-Oct-20	9.55	17-Oct-30	131.33	17-Oct-30	131.33
39	Tax Free Bonds	TF 2B	INE134E07562	45.18	17-Oct-19	17-Oct-20	3.40	17-Oct-30	45.18	17-Oct-30	45.18
40	Tax Free Bonds	TF 3A	INE134E07570	213.57	17-Oct-19	17-Oct-20	15.70	17-Oct-35	213.57	17-Oct-35	213.57
41	Tax Free Bonds	TF 3B	INE134E07588	155.48	17-Oct-19	17-Oct-20	11.82	17-Oct-35	155.48	17-Oct-35	155.48
42	Infrastructure Bonds	8.43 % SERIES I PRIVATE PLACEMENT INFRA	INE134E07216	7.39	30-Mar-20	30-Mar-21	1.86	30-Mar-22	7.39	30-Mar-22	7.39
43	Infrastructure Bonds	8.43 % SERIES II INFRA PRIVATE PLACEMENT	INE134E07224	15.47	31-Mar-17	30-Mar-22	19.29	30-Mar-22	15.47	30-Mar-22	15.47
44	Infrastructure Bonds	8.72 % SERIES III INFRA BONDS PRIVATE PLACEMENT	INE134E07232	0.87	30-Mar-20	31-Mar-18	0.25	30-Mar-27	0.87	30-Mar-27	0.87
45	Infrastructure Bonds	8.72 % SERIES IV INFRA BONDS PRIVATE PLACEMENT	INE134E07240	2.40	31-Mar-18	30-Mar-27	6.02	30-Mar-27	2.40	30-Mar-27	2.40
46	Taxable Bonds	112-C	INE134E07505	270.00	31-Jan-20	31-Jan-21	26.19	31-Jan-21	270.00	31-Jan-21	270.00
47	54EC Capital Gain Tax Exemption Bonds	5.25 SEC 54EC BD SR 1.1718 10	INE134E07620	20.50	31-Jul-20	31-Jul-20	0.27	31-Oct-2020	20.50	31-Oct-2020	20.50
48	54EC Capital Gain Tax Exemption Bonds	5.25 SEC 54EC BD SR 1.1718 11	INE134E07638	33.55	31-Jul-20	30-Nov-20	0.59	30-Nov-2020	33.55	30-Nov-2020	33.55







Sr no	Instrument type	Instrument Series	ISIN No.	Amount Outstanding (Rs in crore) as on 30-09-2020	Previous due date		Interest		Principal	
					Interest	Principal	Next due date	Amount (Rs in crore)	Next due date	Amount (Rs in crore)
49	54EC Capital Gain Tax Exemption Bonds	5 25 SEC 54EC BD SR 1 1718 12	INE134E07646	33.76	31-Jul-20	31-Dec-20	0.74	31-Dec-20	33.76	
50	54EC Capital Gain Tax Exemption Bonds	5 25 SEC 54EC BD SR 1 1718 01	INE134E07653	25.93	31-Jul-20	31-Jan-21	0.69	31-Jan-21	25.93	
51	54EC Capital Gain Tax Exemption Bonds	5 25 SEC 54EC BD SR 1 1718 02	INE134E07661	37.95	31-Jul-20	28-Feb-21	1.16	28-Feb-21	37.95	
52	54EC Capital Gain Tax Exemption Bonds	5 25 SEC 54EC BD SR 1 1718 03	INE134E07679	87.79	31-Jul-20	31-Mar-21	3.07	31-Mar-21	87.79	
53	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 04	INE134E07687	6.54	31-Jul-20	31-Jul-21	0.38	30-Apr-2023	6.54	
54	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 05	INE134E07695	7.04	31-Jul-20	31-Jul-21	0.40	31-May-2023	7.04	
55	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 06	INE134E07703	10.11	31-Jul-20	31-Jul-21	0.58	30-Jun-2023	10.11	
56	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 07	INE134E07711	14.32	31-Jul-20	31-Jul-21	0.82	31-Jul-2023	14.32	
57	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 08	INE134E07729	15.95	31-Jul-20	31-Jul-21	0.92	31-Aug-2023	15.95	
58	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 09	INE134E07737	26.03	31-Jul-20	31-Jul-21	1.50	30-Sep-2023	26.03	
59	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 10	INE134E07745	32.95	31-Jul-20	31-Jul-21	1.89	31-Oct-2023	32.95	
60	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 11	INE134E07752	41.13	31-Jul-20	31-Jul-21	2.36	30-Nov-2023	41.13	
61	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 12	INE134E07760	55.14	31-Jul-20	31-Jul-21	3.17	31-Dec-2023	55.14	
62	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 01	INE134E07778	70.63	31-Jul-20	31-Jul-21	4.06	31-Jan-2024	70.63	
63	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 02	INE134E07786	66.74	31-Jul-20	31-Jul-21	3.84	28-Feb-2024	66.74	
64	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 2 1819 03	INE134E07794	145.38	31-Jul-20	31-Jul-21	8.36	31-Mar-2024	145.38	
65	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 04	INE134E07810	48.91	31-Jul-20	31-Jul-21	2.81	30-Apr-2024	48.91	
66	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 05	INE134E07828	72.72	31-Jul-20	31-Jul-21	4.18	31-May-2024	72.72	
67	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 06	INE134E07836	117.79	31-Jul-20	31-Jul-21	6.74	31-Jul-24	117.79	
68	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 07	INE134E07844	105.73	31-Jul-20	31-Jul-21	6.08	31-Aug-24	105.73	
69	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 08	INE134E07851	102.03	31-Jul-20	31-Jul-21	5.87	30-Sep-24	102.03	
70	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 09	INE134E07869	92.09	31-Jul-20	31-Jul-21	5.30	31-Oct-24	92.09	
71	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 10	INE134E07877	89.96	31-Jul-20	31-Jul-21	5.17	30-Nov-24	89.96	
72	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 11	INE134E07885	93.08	31-Jul-20	31-Jul-21	5.35	31-Dec-24	93.08	
73	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 12	INE134E07893	94.02	31-Jul-20	31-Jul-21	5.41	31-Jan-25	94.02	
74	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 01	INE134E07901	107.88	31-Jul-20	31-Jul-21	6.20	28-Feb-25	107.88	
75	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 02	INE134E07919	129.01	31-Jul-20	31-Jul-21	7.42	31-Mar-25	129.01	
76	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 3 1920 03	INE134E07927	12.44	31-Jul-20	31-Jul-21	0.72	30-Apr-25	12.44	
77	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 4 2021 04	INE134E07935	39.39	31-Jul-20	31-Jul-21	2.26	31-May-25	39.39	
78	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 4 2021 05	INE134E07943	117.99	31-Jul-20	31-Jul-21	6.78	30-Jun-25	117.99	
79	54EC Capital Gain Tax Exemption Bonds	5 75 SEC 54EC BD SR 4 2021 06	INE134E07950	82.56	31-Jul-20	31-Jul-21	4.87	31-Jul-25	82.56	
80	54EC Capital Gain Tax Exemption Bonds	5 00 SEC 54EC BD SR 4 2021 07	INE134E07958	26.03	-	-	1.23	31-Aug-25	26.03	
81	54EC Capital Gain Tax Exemption Bonds	5 00 SEC 54EC BD SR 4 2021 08	INE134E07966	61.44	-	-	2.66	30-Sep-25	61.44	
82	54EC Capital Gain Tax Exemption Bonds	28	INE134E07992	600.00	31-May-20	31-May-21	53.10	31-May-21	600.00	
83	Taxable Bonds	57	INE134E08925	866.50	07-Aug-20	07-Aug-21	74.52	07-Aug-21	866.50	
84	Taxable Bonds	65	INE134E08822	1,337.50	14-May-20	14-May-21	116.36	14-May-21	1,337.50	
85	Taxable Bonds	70	INE134E08082	1,549.00	15-Nov-19	15-Nov-20	136.00	13-Nov-20	1,549.00	
86	Taxable Bonds	71	INE134E08087	192.70	16-Dec-19	15-Dec-20	17.44	15-Dec-20	192.70	
87	Taxable Bonds	71	INE134E08083	192.70	16-Dec-19	15-Dec-20	17.44	15-Dec-20	192.70	
88	Taxable Bonds	71	INE134E08081	192.70	16-Dec-19	15-Dec-20	17.44	15-Dec-20	192.70	
89	Taxable Bonds	73	INE134E08085	1,000.00	15-Apr-20	15-Apr-21	91.80	15-Apr-21	1,000.00	
90	Taxable Bonds	74	INE134E08084	1,693.20	09-Jun-20	09-Jun-21	164.24	09-Jun-21	1,693.20	
91	Taxable Bonds	103	INE134E08083	2,807.00	25-Mar-20	25-Mar-21	250.95	25-Mar-21	2,807.00	
92	Taxable Bonds	125	INE134E08089	2,826.00	30-Dec-19	29-Dec-20	244.45	28-Dec-20	2,826.00	
93	Taxable Bonds	126	INE134E08087	5,000.00	06-Jan-20	05-Jan-21	432.50	04-Jan-21	5,000.00	
94	Taxable Bonds	128	INE134E08083	1,600.00	11-Mar-20	11-Mar-21	131.20	10-Mar-21	1,600.00	
95	Taxable Bonds	146	INE134E08103	300.00	27-Apr-20	27-Apr-21	24.15	27-Apr-21	300.00	
96	Taxable Bonds	147	INE134E08101	1,000.00	02-May-20	02-May-21	80.30	02-May-21	1,000.00	
97	Taxable Bonds	152	INE134E08101	4,000.00	28-Sep-20	28-Sep-21	302.00	25-Sep-21	4,000.00	



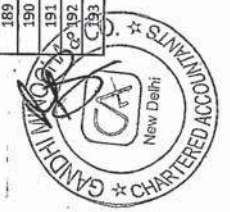


Sr no	Instrument type	Instrument Series	ISIN No.	Amount Outstanding (Rs in crore) as on 30-09-2020	Previous due date		Interest		Principal	
					Interest	Principal	Next due date	Amount (Rs in crore)	Next due date	Amount (Rs in crore)
99	Taxable Bonds	153	INE134E08IM4	1,830.00	30-Sep-20	-	30-Sep-21	135.42	30-Sep-21	1,830.00
100	Taxable Bonds	154	INE134E08IN2	1,101.00	23-Dec-19	-	22-Dec-20	80.04	22-Dec-21	1,101.00
101	Taxable Bonds	155	INE134E08IO0	2,635.00	05-Jan-20	-	05-Jan-21	190.51	05-Jan-27	2,635.00
102	Taxable Bonds	171	INE134E08IH2	5,000.00	15-Dec-19	-	15-Dec-20	381.00	15-Dec-27	5,000.00
103	Taxable Bonds	172	INE134E08IIO	850.00	30-Jan-20	-	30-Jan-21	65.79	29-Jan-28	850.00
104	Taxable Bonds	175	INE134E08IM2	600.00	16-Mar-20	-	15-Mar-21	46.50	15-Apr-21	600.00
105	Taxable Bonds	177	INE134E08IP5	3,855.00	03-Apr-20	-	03-Oct-20	151.72	03-Apr-28	3,855.00
106	Taxable Bonds	178	INE134E08IQ3	3,000.00	10-Oct-19	-	12-Oct-20	268.50	10-Oct-28	3,000.00
107	Taxable Bonds	180	INE134E08IJ7	2,654.00	24-Feb-20	-	22-Feb-21	232.23	22-Feb-34	2,654.00
108	Taxable Bonds	181	INE134E08IJ5	2,155.00	11-Mar-20	-	11-Mar-21	187.10	11-Aug-22	2,155.00
109	Taxable Bonds	183	INE134E08IUV1	3,751.20	19-Mar-20	-	19-Mar-21	306.85	19-Mar-22	3,751.20
110	Taxable Bonds	186	INE134E08KA5	2,578.90	30-Apr-20	-	30-Apr-21	226.76	30-Apr-34	2,578.90
111	Taxable Bonds	188	INE134E08KD9	691.10	04-Jun-20	-	04-Jun-21	55.98	04-Jun-24	691.10
112	Taxable Bonds	189	INE134E08KE7	4,035.00	08-Aug-20	-	08-Aug-21	328.85	08-Aug-34	4,035.00
113	Taxable Bonds	190	INE134E08KF4	4,016.00	06-Sep-20	-	06-Sep-21	331.32	06-Sep-34	4,016.00
114	Taxable Bonds	191	INE134E08KG2	3,735.00	15-Oct-19	-	15-Oct-20	274.52	15-Oct-22	3,735.00
115	Taxable Bonds	192	INE134E08KH0	3,000.00	-	-	19-Nov-20	222.60	19-Nov-24	3,000.00
116	Taxable Bonds	193	INE134E08KH8	4,710.50	-	-	31-Dec-20	373.54	31-Dec-29	4,710.50
117	Taxable Bonds	194	INE134E08KJ6	1,400.00	-	-	07-Jan-21	98.56	14-Apr-23	1,400.00
118	Taxable Bonds	195	INE134E08KK4	1,100.00	-	-	14-Jan-21	86.46	12-Apr-30	1,100.00
119	Taxable Bonds	196	INE134E08KL2	2,500.00	-	-	25-Feb-21	185.25	25-Feb-30	2,500.00
120	Taxable Bonds	197	INE134E08KM0	5,000.00	-	-	02-Mar-21	370.50	15-May-30	5,000.00
121	Taxable Bonds	198	INE134E08KN8	3,160.00	-	-	20-Apr-21	220.57	20-Apr-23	3,160.00
122	Taxable Bonds	200	INE134E08KO1	2,920.00	-	-	10-May-21	216.08	08-May-30	2,920.00
123	Taxable Bonds	201	INE134E08KP9	3,101.30	-	-	15-May-21	238.18	15-Jul-30	3,101.30
124	Taxable Bonds	206	INE134E08LB1	3,000.00	-	-	20-Aug-21	164.10	20-Aug-23	3,000.00
125	Taxable Bonds	207	INE134E08LC9	1,097.40	-	-	09-Sep-21	77.26	16-Dec-30	1,097.40
126	Taxable Bonds	208	INE134E08LE5	2,806.00	-	-	17-Sep-21	182.39	17-Sep-25	2,806.00
127	Taxable Bonds	209	INE134E08LF7	1,711.00	-	-	29-Sep-21	125.59	29-Sep-35	1,711.00
128	Taxable Bonds	100-B	INE134E08F16	1,310.00	04-Mar-20	-	04-Mar-21	115.80	04-Mar-23	1,310.00
129	Taxable Bonds	101-B	INE134E08FL2	1,370.00	11-Mar-20	-	11-Mar-21	123.30	11-Mar-28	1,370.00
130	Taxable Bonds	102-A(I)	INE134E08FN8	403.00	18-Mar-20	-	18-Mar-21	35.87	18-Mar-23	403.00
131	Taxable Bonds	102-A(III)	INE134E08FO6	403.00	18-Mar-20	-	18-Mar-21	35.87	18-Mar-23	403.00
132	Taxable Bonds	115-III	INE134E08GA3	700.00	07-Jul-20	-	07-Jul-21	64.40	07-Jul-21	700.00
133	Taxable Bonds	117-B	INE134E08GD7	855.00	19-Aug-20	-	19-Aug-21	80.11	19-Aug-24	855.00
134	Taxable Bonds	118-B-II	INE134E08GG0	460.00	27-Aug-20	-	27-Aug-21	43.19	27-Aug-24	460.00
135	Taxable Bonds	118-B-III	INE134E08GH8	460.00	27-Aug-20	-	27-Aug-21	43.19	27-Aug-29	460.00
136	Taxable Bonds	120-A	INE134E08GK2	961.00	09-Oct-19	-	08-Oct-20	86.30	08-Oct-24	961.00
137	Taxable Bonds	120-B (Cumulative)	INE134E08GL0	950.00	09-Oct-19	-	09-Oct-20	85.31	08-Oct-24	950.00
138	Taxable Bonds	123-C	INE134E08GR7	2,000.00	28-Nov-19	-	01-Dec-20	17.32	27-Nov-21	2,000.00
139	Taxable Bonds	124-B	INE134E08GT3	1,200.00	09-Dec-19	-	09-Dec-20	102.60	09-Dec-21	1,200.00
140	Taxable Bonds	124-C	INE134E08GU1	1,000.00	09-Dec-19	-	09-Dec-20	84.80	09-Dec-24	1,000.00
141	Taxable Bonds	130-C	INE134E08HD5	925.00	19-Mar-20	-	19-Mar-21	77.61	19-Apr-25	925.00
142	Taxable Bonds	131-C	INE134E08HG8	5,000.00	27-Mar-20	-	27-Mar-21	420.50	27-Mar-25	5,000.00
143	Taxable Bonds	141-B	INE134E08HX3	1,000.00	18-Sep-20	-	18-Sep-21	84.00	18-Sep-25	1,000.00





Sr no	Instrument type	Instrument Series	ISIN No.	Amount Outstanding (Rs in crore) as on 30-09-2020	Previous due date		Interest		Principal	
					Interest	Principal	Next due date	Amount (Rs in crore)	Next due date	Amount (Rs in crore)
144	Taxable Bonds	150-A	INE134E08H4	2,660.00	17-Aug-20	-	16-Aug-21	199.50	16-Aug-21	2,660.00
145	Taxable Bonds	150-B	INE134E08H2	1,675.00	17-Aug-20	-	16-Aug-21	127.80	14-Aug-26	1,675.00
146	Taxable Bonds	151-A	INE134E08J0	2,260.00	16-Sep-20	-	16-Sep-21	168.82	16-Sep-21	2,260.00
147	Taxable Bonds	151-B	INE134E08K8	210.00	16-Sep-20	-	16-Sep-21	15.88	16-Sep-26	210.00
148	Taxable Bonds	168-A	INE134E08J5	1,950.00	12-Jun-20	-	12-Jun-21	141.96	12-Jun-22	1,950.00
149	Taxable Bonds	168-B	INE134E08I3	1,540.00	12-Jun-20	-	12-Jun-21	114.58	12-Jun-27	1,540.00
150	Taxable Bonds	169A	INE134E08D1	3,395.00	08-Aug-20	-	08-Aug-21	241.05	08-Aug-22	3,395.00
151	Taxable Bonds	169B	INE134E08E9	800.00	22-Nov-19	-	22-Nov-20	58.80	22-Nov-22	800.00
152	Taxable Bonds	170A	INE134E08G4	2,001.00	22-Nov-19	-	22-Nov-20	153.08	22-Nov-27	2,001.00
153	Taxable Bonds	170B	INE134E08J8	505.00	12-Feb-20	-	12-Feb-21	39.04	12-Mar-21	505.00
154	Taxable Bonds	173-A	INE134E08J6	1,325.00	12-Feb-20	-	12-Feb-21	102.42	05-Apr-21	1,325.00
155	Taxable Bonds	173-B	INE134E08J6	1,295.00	20-Dec-19	-	21-Dec-20	103.47	20-Dec-22	1,295.00
156	Taxable Bonds	176B	INE134E08J08	1,295.00	19-May-20	-	19-Nov-20	43.67	18-Nov-28	1,007.40
157	Taxable Bonds	179-A	INE134E08R1	1,007.40	19-May-20	-	19-Nov-20	22.83	19-Nov-33	528.40
158	Taxable Bonds	179-B	INE134E08S9	528.40	27-May-20	-	27-May-21	131.61	27-May-29	1,982.10
159	Taxable Bonds	187-A	INE134E08K3	1,982.10	27-May-20	-	27-May-21	175.42	25-May-29	1,982.10
160	Taxable Bonds	187-B	INE134E08K1	1,982.10	27-May-20	-	27-May-21	111.15	25-Feb-30	1,500.00
161	Taxable Bonds	196 R	INE134E08K2	1,500.00	-	-	25-Feb-21	111.15	25-Feb-30	1,500.00
162	Taxable Bonds	199A	INE134E08K6	1,970.00	-	-	24-Apr-21	134.55	24-Apr-25	1,320.00
163	Taxable Bonds	199B	INE134E08K3	1,320.00	-	-	24-Apr-21	94.51	24-Apr-25	1,320.00
164	Taxable Bonds	202A	INE134E08K7	2,145.00	-	-	22-May-21	144.79	22-May-23	2,145.00
165	Taxable Bonds	202B	INE134E08K5	810.00	-	-	22-May-21	58.08	22-May-25	810.00
166	Taxable Bonds	202C	INE134E08K3	1,936.00	-	-	22-May-21	150.81	22-Jul-30	1,936.00
167	Taxable Bonds	203A	INE134E08K9	2,206.00	-	-	11-Jun-21	148.24	09-Jun-23	2,206.00
168	Taxable Bonds	203B	INE134E08K7	3,318.00	-	-	11-Jun-21	257.15	11-Jun-30	3,318.00
169	Taxable Bonds	204A	INE134E08K1	900.00	-	-	28-Jul-21	51.93	11-Apr-25	900.00
170	Taxable Bonds	204B	INE134E08K5	1,300.00	-	-	28-Jul-21	89.44	11-Apr-25	1,300.00
171	Taxable Bonds	205A	INE134E08K2	1,610.10	-	-	10-Aug-21	113.51	09-Aug-30	1,610.10
172	Taxable Bonds	205B	INE134E08LA3	1,605.70	-	-	10-Aug-21	115.61	10-Aug-35	1,605.70
173	Taxable Bonds	61-III	INE134E08C95	351.00	15-Dec-19	-	15-Dec-20	29.84	15-Dec-24	351.00
174	Taxable Bonds	62-B	INE134E08CP0	1,172.60	15-Jan-20	-	15-Jan-21	103.19	15-Jan-25	1,172.60
175	Taxable Bonds	63-C	INE134E08C54	184.00	16-Mar-20	-	15-Mar-21	16.38	15-Mar-25	184.00
176	Taxable Bonds	64-III	INE134E08CV8	492.00	30-Mar-20	-	30-Mar-21	44.03	30-Mar-25	492.00
177	Taxable Bonds	66-B	INE134E08DA0	1,532.00	15-Jun-20	-	15-Jun-21	134.05	15-Jun-25	1,532.00
178	Taxable Bonds	66-C	INE134E08DB8	633.00	15-Jun-20	-	15-Jun-21	56.02	15-Jun-30	633.00
179	Taxable Bonds	72-B	INE134E08DL7	1,219.00	15-Jan-20	-	15-Jan-21	109.59	15-Jan-21	1,219.00
180	Taxable Bonds	75-C	INE134E08DC6	2,084.70	29-Jun-20	-	29-Jun-21	200.34	29-Jun-21	2,084.70
181	Taxable Bonds	76-A	INE134E08DR4	2,589.40	03-Aug-20	-	01-Aug-21	242.37	01-Aug-21	2,589.40
182	Taxable Bonds	76-B	INE134E08DR4	1,105.00	03-Aug-20	-	01-Aug-21	104.53	01-Aug-26	1,105.00
183	Taxable Bonds	77-B	INE134E08H3	2,568.00	01-Sep-20	-	01-Sep-21	242.68	01-Sep-26	2,568.00
184	Taxable Bonds	85-D	INE134E08EH8	736.00	15-Apr-20	-	15-Apr-21	68.15	15-Apr-23	736.00
185	Taxable Bonds	88-C	INE134E08E09	184.70	15-Apr-20	-	15-Apr-21	17.51	15-Apr-22	184.70
186	Taxable Bonds	Zero Coupon Bond	INE134E08E93	629.99	-	-	-	-	30-Dec-22	750.00
187	Subordinated Bonds	185	INE134E08I24	1,000.00	30-Mar-20	-	30-Mar-21	89.80	28-Mar-29	1,000.00
188	Subordinated Bonds	111	INE134E08FV9	1,000.00	13-Jan-20	-	13-Jan-21	96.50	13-Jan-24	1,000.00
189	Subordinated Bonds	114	INE134E08FX7	2,000.00	21-Feb-20	-	21-Feb-21	194.00	21-Feb-24	2,000.00
190	Subordinated Bonds	105	INE134E08FT5	800.00	14-Jun-20	-	14-Jun-21	65.52	14-Jun-23	800.00
191	Subordinated Bonds	184(A)	INE134E08IY7	2,000.00	25-Mar-20	-	25-Mar-21	185.00	25-Sep-24	2,000.00
192	Subordinated Bonds	184(B)	INE134E08IX9	2,411.50	25-Mar-20	-	25-Mar-21	219.45	23-Mar-29	2,411.50
193	Commercial Paper	CP-115	INE134I4A88	3,019.92	-	-	-	-	30-Jul-21	3,120.00





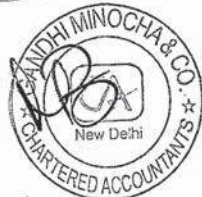
**Independent Auditor's Review Report on the Year to Date Unaudited Standalone Interim Financial Statements of the Company**

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

1. We have reviewed the accompanying unaudited standalone interim financial statements of Power Finance Corporation Limited (the "Company") which comprise the Balance Sheet as at 30.09.2020, Statement of Profit & Loss, Statement of Cash flow and Statement of changes in equity for the period then ended and Significant Accounting Policies & Summarized Notes to Accounts thereon.
2. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors in its meeting held on 12.11.2020, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, and other accounting principles generally accepted in India. Our responsibility is to issue a report on these interim financial statements based on our review.
3. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone interim financial statements prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standard and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Standard on Review Engagements (SRE) 2410, including the manner in which it is to be disclosed, or that it contains any material misstatements.

**Other Matter**

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







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

This report has been issued at the request of the company for the purpose of its proposed public issuance and raising of foreign currency bonds.

**FOR GANDHI MINOCHA & CO.**

*Chartered Accountants*

Firm's Registration No.: 000458N

**CA MANOJ BHARDWAJ**

*Partner*

Membership No.098606

UDIN: 20098606AAAACX7127


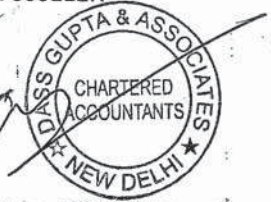
**Date: 12.11.2020**

**Place: New Delhi**

**FOR DASS GUPTA & ASSOCIATES**

*Chartered Accountants*

Firm's Registration No.: 000112N

**CA ASHOK KUMAR JAIN**

*Partner*

Membership No. 090563

UDIN: 20090563AAAACQ7542

**Power Finance Corporation Limited**  
Standalone Balance Sheet as at September 30, 2020

(₹ in crore)

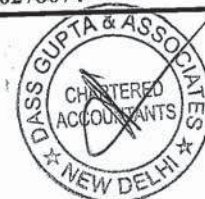
Sr. No.	Particulars	Note No.	As at 30.09.2020	As at 31.03.2020
	<b>ASSETS</b>			
1	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	1	307.81	182.52
(b)	Bank Balance other than included in Cash and Cash Equivalents	2	878.15	16.47
(c)	Derivative Financial Instruments	3	1,380.77	1,863.42
(d)	Loans	4	3,60,074.05	3,34,112.60
(e)	Investments	5	16,685.05	16,473.32
(f)	Other Financial Assets	6	5,319.46	5,339.12
	<b>Total Financial Assets (1)</b>		<b>3,84,645.29</b>	<b>3,57,987.45</b>
2	<b>Non- Financial Assets</b>			
(a)	Current Tax Assets (Net)	7	374.21	651.31
(b)	Deferred Tax Assets (Net)		3,212.94	2,952.12
(c)	Property, Plant and Equipment	8	31.33	31.35
(d)	Intangible Assets	8	0.34	0.41
(e)	Right-of-use Assets	9	35.52	35.75
(f)	Other Non-Financial Assets	10	207.49	128.87
	<b>Total Non- Financial Assets (2)</b>		<b>3,861.83</b>	<b>3,799.81</b>
	<b>Total Assets (1+2)</b>		<b>3,88,507.12</b>	<b>3,61,787.26</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
1	<b>Financial Liabilities</b>			
(a)	Derivative Financial Instruments	3	616.16	599.82
(b)	Debt Securities	11	2,35,751.18	2,21,847.67
(c)	Borrowings (other than Debt Securities)	12	87,219.20	79,116.06
(d)	Subordinated Liabilities	13	9,671.57	9,310.95
(e)	Other Financial Liabilities	14	5,361.62	5,375.16
	<b>Total Financial Liabilities (1)</b>		<b>3,38,619.73</b>	<b>3,16,249.66</b>
2	<b>Non- Financial Liabilities</b>			
(a)	Current Tax Liabilities (Net)	7	67.28	0.11
(b)	Provisions	15	258.59	264.29
(c)	Other Non-Financial Liabilities	16	183.29	109.07
	<b>Total Non- Financial Liabilities (2)</b>		<b>509.16</b>	<b>373.47</b>
	<b>Total Liabilities (1+2)</b>		<b>3,39,128.89</b>	<b>3,16,623.13</b>
3	<b>Equity</b>			
(a)	Equity Share Capital	17	2,640.08	2,640.08
(b)	Other Equity	18	46,738.15	42,524.05
	<b>Total Equity (3)</b>		<b>49,378.23</b>	<b>45,164.13</b>
	<b>Total Liabilities and Equity (1+2+3)</b>		<b>3,88,507.12</b>	<b>3,61,787.26</b>

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

Place : New Delhi  
Date : 12.11.2020



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





**Power Finance Corporation Limited**  
**Standalone Statement of Profit and Loss for the Half Year ended September 30, 2020**

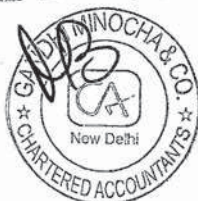
(₹ in crore)

Sr. No.	Particulars	Note No.	Half Year ended 30.09.2020	Half Year ended 30.09.2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	19	17,942.92	15,521.13
(ii)	Dividend Income		6.60	1.24
(iii)	Fees and Commission Income	20	39.15	77.49
<b>I.</b>	<b>Total Revenue from Operations</b>		<b>17,988.67</b>	<b>15,599.86</b>
<b>II.</b>	<b>Other Income</b>	22	17.70	7.00
<b>III.</b>	<b>Total Income (I+II)</b>		<b>18,006.37</b>	<b>15,606.86</b>
	<b>Expenses</b>			
(i)	Finance Costs	23	11,505.60	10,804.94
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		(195.43)	537.62
(iii)	Fees and Commission Expense	24	6.25	4.08
(iv)	Net Loss / (Gain) on Fair Value changes	21	419.33	(207.38)
(v)	Impairment on Financial Instruments	25	1,306.21	611.87
(vi)	Employee Benefit Expenses	26	98.62	109.10
(vii)	Depreciation, Amortisation and Impairment	8/9	4.34	3.74
(viii)	Corporate Social Responsibility Expenses		210.34	36.28
(ix)	Other Expenses	27	29.21	37.33
<b>IV.</b>	<b>Total Expenses</b>		<b>13,384.47</b>	<b>11,937.58</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>4,621.90</b>	<b>3,669.28</b>
<b>VI.</b>	<b>Exceptional Items</b>		-	-
<b>VII.</b>	<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>4,621.90</b>	<b>3,669.28</b>
	<b>Tax Expense:</b>			
	(1) Current Tax:			
	- Current Year		1,035.48	669.27
	- Earlier Years		43.52	-
	(2) Deferred Tax		(241.71)	459.99
<b>VIII.</b>	<b>Total Tax Expense</b>		<b>837.29</b>	<b>1,129.26</b>
<b>IX.</b>	<b>Profit/(Loss) for the Half Year from Continuing Operations (VII-VIII)</b>		<b>3,784.61</b>	<b>2,540.02</b>
<b>X.</b>	<b>Profit/(Loss) from Discontinued Operations (After Tax)</b>		-	-
<b>XI.</b>	<b>Profit/(Loss) for the Half Year (from continuing and discontinued operations) (IX+X)</b>		<b>3,784.61</b>	<b>2,540.02</b>
<b>XII.</b>	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(2.55)	0.45
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(31.98)	(131.14)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		0.52	(0.32)
	- Re-measurement of Defined Benefit Plans			
	<b>Sub-Total (A)</b>		<b>(34.01)</b>	<b>(131.01)</b>
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		(57.95)	(12.95)
	- Cost of Hedging Reserve		(15.86)	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss		14.59	(4.27)
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge		3.99	-
	- Cost of Hedging Reserve			
	<b>Sub-Total (B)</b>		<b>(55.23)</b>	<b>(17.22)</b>
	<b>Other Comprehensive Income (A+B)</b>		<b>(89.24)</b>	<b>(148.23)</b>
<b>XIII.</b>	<b>Total Comprehensive Income for the Half Year (XI+XII)</b>		<b>3,695.37</b>	<b>2,391.79</b>
<b>XIV.</b>	<b>Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):</b>			
	(1) For continuing operations (in ₹)		14.34	9.62
	(2) For discontinued operations (in ₹)		-	-
	(3) For continuing and discontinued operations (in ₹)		14.34	9.62

EPS for the Half Year(s) is not annualised

Place : New Delhi  
 Date : 12.11.2020

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

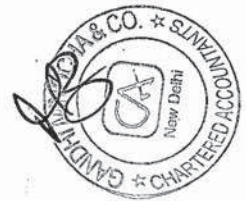


Power Finance Corporation Limited  
 Standalone Statement of Changes in Equity for the Half Year ended September 30, 2020

A. Equity Share Capital			
(` in crore)			
Particulars	Opening Balance	Changes during the period	Closing Balance
HY 2019-20	2,640.08	-	2,640.08
HY 2020-21	2,640.08	-	2,640.08

Particulars	Reserves and Surplus										Other Comprehensive Income			Total
	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 Financial Year 1997-98	Debt Redemption Reserve	Securities Premium	Foreign Currency Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	Cost of Hedging Reserve	
Balance as at 31.03.2019	1,413.94	3,740.21	599.85	17,998.27	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 (net of tax)	-	-	-	-	-	-	-	-	0.13	-	-	-	-	0.13
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	(131.14)	-	(17.22)	-	(148.36)
<b>Total Comprehensive Income for the period</b>	508.00	163.85	-	729.61	72.24	-	-	-	2,540.15	(131.14)	-	(17.22)	-	2,391.79
Transfer to / from Retained Earnings	-	(810.95)	-	-	(2,086.49)	-	-	-	(1,473.70)	-	-	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	2,897.44	-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	-	-	-	-	-	-	(254.12)	254.12	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	(234.63)	1.01	(1.01)	-	-	-	-	(234.63)
Additions / Deletions 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	2,544.96	2,514.17	599.85	18,848.40	-	2,776.54	(1,441.15)	61.40	10,983.81	6,042.40	(313.64)	(92.66)	-	42,524.05
Profit for the period	-	-	-	-	-	-	-	-	3,784.61	(2.02)	-	-	-	3,784.61
Re-measurement of Defined Benefit Plans (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.02)
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	(31.98)	(43.36)	(43.36)	(11.87)	(87.21)
<b>Total Comprehensive Income for the period</b>	756.92	273.60	-	1,252.10	-	-	-	-	3,782.59	(31.98)	(31.98)	(43.36)	(11.87)	3,695.38
Dividends	-	-	-	-	-	-	-	-	(2,282.62)	-	-	-	-	-
Transfer to / from Retained Earnings	-	(448.23)	-	-	-	-	-	-	448.23	-	-	-	-	-
Transfer to / from General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilisation of reserve against bad debts written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument	-	-	-	-	-	-	-	0.55	(0.55)	-	-	-	-	-
Additions / Deletions during the period (net)	3,301.88	2,339.54	599.85	20,100.50	-	2,776.54	(922.46)	61.95	11,432.04	7,541.82	(345.62)	(136.02)	(11.87)	46,738.15
Balance as at 30.09.2020	3,301.88	2,339.54	599.85	20,100.50	-	2,776.54	(922.46)	61.95	11,432.04	7,541.82	(345.62)	(136.02)	(11.87)	46,738.15

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



Place : New Delhi  
 Date : 12.11.2020



Power Finance Corporation Limited  
Standalone Statement of Cash Flows for the Half Year ended September 30, 2020

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2020	Half Year ended 30.09.2019
I.	<b>Cash Flow from Operating Activities :-</b>		
	<b>Profit before Tax</b>	4,621.90	3,669.28
	<b>Adjustments for:</b>		
	Loss on derecognition of Property, Plant and Equipment (net)	0.70	0.28
	Depreciation and Amortisation	4.34	3.74
	Interest expense on Zero Coupon Bonds and Commercial Papers	(76.03)	212.37
	Unrealised Foreign Exchange Translation Loss / (Gain)	253.05	524.66
	Net Change in Fair Value	419.33	-
	Impact of Effective Interest Rate on Loans	2.66	4.54
	Impairment on Financial Instruments	1,306.21	611.87
	Interest income on Investments	(91.02)	(106.49)
	Interest on Interest Subsidy Fund	0.71	0.69
	Provision for Retirement Benefits etc.	(0.18)	27.40
	Dividend Income	(6.60)	(1.24)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	95.68	(70.45)
	Interest on Income Tax Refund	(9.67)	(0.57)
	Interest expenses on Lease Liability	0.39	0.39
	<b>Operating profit before Working Capital Changes:</b>	<b>6,521.46</b>	<b>4,876.47</b>
	<b>Increase / Decrease :</b>		
	Loans (Net)	(27,425.33)	(12,306.74)
	Other Financial and Non-Financial Assets	(913.43)	13,816.92
	Derivative	(1.32)	(292.45)
	Other Financial & Non-Financial Liabilities and Provisions	1,459.20	1,570.40
	<b>Cash Flow from Operations Before Tax</b>	<b>(20,359.42)</b>	<b>7,664.60</b>
	Income Tax paid	(1,029.02)	(987.33)
	Income Tax Refund	294.12	56.84
	<b>Net Cash flow from Operating Activities</b>	<b>(21,094.32)</b>	<b>6,734.11</b>
II.	<b>Cash Flow From Investing Activities :</b>		
	Proceeds from disposal of Property, Plant and Equipment	0.11	0.07
	Purchase of Property, Plant and Equipment	(4.83)	(5.31)
	Interest income on investment	41.64	108.13
	Dividend on investment	6.60	1.24
	Increase / Decrease in Other Investments	9.25	3.03
	<b>Net Cash Used in Investing Activities</b>	<b>52.77</b>	<b>107.16</b>
III.	<b>Cash Flow From Financing Activities :</b>		
	Raising of Bonds (including premium) (Net of Redemptions)	10,291.69	80.80
	Raising of Long Term Loans (Net of Repayments)	8,971.00	495.43
	Raising of Foreign Currency Loans (Net of Repayments)	(1,738.86)	11,738.29
	Raising of Subordinated Liabilities (Net of Redemptions)	(0.00)	0.00
	Raising of Commercial paper (Net of Repayments)	3,120.00	(7,000.00)
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	524.42	(12,452.68)
	Unclaimed Bonds (Net)	(0.95)	(0.62)
	Unclaimed Dividend (Net)	(0.28)	(0.01)
	Payment of Lease Liability	(0.19)	(0.39)
	<b>Net Cash in-flow from Financing Activities</b>	<b>21,166.83</b>	<b>(7,139.18)</b>
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	<b>125.29</b>	<b>(297.91)</b>
	Add : Cash and Cash Equivalents at beginning of the financial year	182.52	308.48
	<b>Cash and Cash Equivalents at the end of the period</b>	<b>307.81</b>	<b>10.57</b>
	<b>Details of Cash and Cash Equivalents at the end of the period:</b>		
	i) Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts	284.12	10.57
	In Term Deposit Accounts	23.69	-
	ii) Cheques, Drafts on hand including postage and Imprest	0.00	0.00
	<b>Total Cash and Cash Equivalents at the end of the period</b>	<b>307.81</b>	<b>10.57</b>

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

*R. S. Dhillon*

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

Place : New Delhi  
Date : 12.11.2020



**1 Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	284.12	182.52
	- In Term Deposit Accounts	23.69	-
(ii)	Cheques, Drafts on hand including Postage and Imprest	0.00	0.00
	<b>Total Cash and Cash Equivalents</b>	<b>307.81</b>	<b>182.52</b>

**2 Bank Balance other than included in Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Earmarked Balances with Banks for		
	- Term Deposits Accounts	863.00	-
	- Unpaid Dividend	3.20	3.48
	- Unpaid - Bonds / Interest on Bonds etc.	11.95	12.99
	- Amount received under IPDS / R-APDRP scheme	0.00	0.00
	<b>Total Bank Balance other than included in Cash and Cash Equivalents</b>	<b>878.15</b>	<b>16.47</b>



**3 Derivative Financial Instruments**

The Company enters into derivative contracts for hedging Currency & Interest Rate risk. Derivatives include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Derivative transactions include forwards, interest rate swaps, cross currency swaps, currency / cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020			As at 31.03.2020		
		Notional Amount	Fair value Assets	Fair value Liabilities	Notional Amount	Fair value Assets	Fair value Liabilities
(i)	<b>Currency Derivatives</b>						
	- Spot and Forwards	4,176.91	47.19	72.23	5,371.88	182.87	
	- Currency Swaps	11,807.65	986.51	-	12,061.74	1,400.21	
	- Options	1,844.95	-	17.87	-	-	
	<b>Total Currency Derivatives</b>	<b>17,829.51</b>	<b>1,033.70</b>	<b>90.10</b>	<b>17,433.62</b>	<b>1,583.08</b>	
(ii)	<b>Interest Rate Derivatives</b>						
	- Forward Rate Agreements and Interest Rate Swaps	14,957.25	347.07	526.06	17,517.14	280.34	
	<b>Total Interest Rate Derivatives</b>	<b>14,957.25</b>	<b>347.07</b>	<b>526.06</b>	<b>17,517.14</b>	<b>280.34</b>	
	<b>Total Derivative Financial Instruments (†+ii)</b>	<b>32,786.76</b>	<b>1,380.77</b>	<b>616.16</b>	<b>34,950.76</b>	<b>1,863.42</b>	

**Part - II**

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

(i)	<b>Cash Flow Hedging (Designated)</b>					
	- Currency Derivatives	7,748.77	227.27	17.87	6,030.87	428.11
	- Interest Rate Derivatives	3,689.89	-	224.22	3,769.30	-
	<b>Total Cash Flow Hedging (Designated)</b>	<b>11,438.66</b>	<b>227.27</b>	<b>242.09</b>	<b>9,800.17</b>	<b>428.11</b>
(ii)	<b>Undesignated Derivatives</b>					
	- Undesignated Derivatives	21,348.10	1,153.50	374.07	25,150.59	1,435.31
	<b>Total Undesignated Derivatives</b>	<b>21,348.10</b>	<b>1,153.50</b>	<b>374.07</b>	<b>25,150.59</b>	<b>1,435.31</b>
	<b>Total Derivative Financial Instruments (†+ii)</b>	<b>32,786.76</b>	<b>1,380.77</b>	<b>616.16</b>	<b>34,950.76</b>	<b>1,863.42</b>



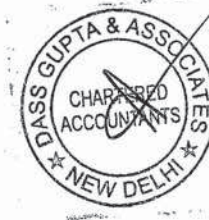


#### 4 Loans

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

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(A)	<b>Loans to Borrowers</b>		
(i)	- Rupee Term Loans (RTLs)	3,58,520.81	3,31,444.41
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,227.28	2,031.28
(iv)	- Working Capital Loans	9,479.19	10,520.04
(v)	- Leasing	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	466.43	444.09
(vii)	- Interest accrued but not due on Loans	5,482.40	4,945.14
(viii)	- Interest accrued & due on Loans	115.86	147.66
(ix)	- Unamortised Fee on Loans	(105.21)	(101.22)
	<b>Gross Loans to Borrowers</b>	<b>3,76,651.52</b>	<b>3,49,896.16</b>
	Less: Impairment loss allowance	(16,577.47)	(15,783.56)
	<b>Net Loans to Borrowers</b>	<b>3,60,074.05</b>	<b>3,34,112.60</b>
(B)	<b>Security-wise classification</b>		
(i)	Secured by Tangible Assets	2,19,993.29	2,17,212.02
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	91,744.49	73,667.83
(iv)	Unsecured	64,913.73	59,016.31
	<b>Gross Security-wise classification</b>	<b>3,76,651.52</b>	<b>3,49,896.16</b>
	Less: Impairment loss allowance	(16,577.47)	(15,783.56)
	<b>Net Security-wise classification</b>	<b>3,60,074.05</b>	<b>3,34,112.60</b>
(C) I	<b>Loans in India</b>		
(i)	Public Sector	3,15,190.76	2,92,140.85
(ii)	Private Sector	61,460.76	57,755.31
	<b>Gross Loans in India</b>	<b>3,76,651.52</b>	<b>3,49,896.16</b>
	Less: Impairment loss allowance	(16,577.47)	(15,783.56)
	<b>Net Loans in India</b>	<b>3,60,074.05</b>	<b>3,34,112.60</b>
(C) II	<b>Loans Outside India</b>	-	-
	Less: Impairment loss allowance	-	-
	<b>Net Loans Outside India</b>	-	-
	<b>Net Loans in India and Outside India</b>	<b>3,60,074.05</b>	<b>3,34,112.60</b>





## 5 Investments

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020					
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	At Cost (5)	Total (1)+(4)+(5)
(A)	<b>Investments</b>						
(i)	<b>Debt securities</b>			853.97	853.97		853.97
	- 10.95% perpetual bonds of Union Bank of India* [8,000 bonds of ₹ 10,00,000 each]						
(ii)	<b>Equity Instruments</b>					14,500.50	14,500.50
	<b>Subsidiaries</b>						
	- REC Ltd. [103,94,95,247 equity shares of ₹ 10 each]					0.15	0.15
	- PFC Consulting Ltd. [52,246 equity shares of ₹ 10 each]					0.05	0.05
	- Power Equity Capital Advisors Private Ltd.^\n[50,000 equity shares of ₹ 10 each]					245.50	245.50
	<b>Joint Venture</b>						
	- Energy Efficiency Services Limited [24,55,00,000 equity shares of ₹ 10 each]					0.75	0.75
	<b>Associates</b>						
	- Companies for development of Ultra Mega Power Projects [50,000 equity shares of ₹ 10 each of each of 15 companies]						
	<b>Others</b>		57.06		57.06		57.06
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		161.99		161.99		161.99
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		473.64		473.64		473.64
	- NHPC Limited [23,44,73,240 equity shares of ₹ 10 each]						
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]			59.96	59.96		59.96
	- RattanIndia Power Limited [23,51,27,715 equity shares of ₹ 10 each]		24.54		24.54		24.54
	- Suzlon Energy Limited [8,46,15,798 equity shares of ₹ 2 each]						
(iii)	<b>Preference Shares</b>	9.80					9.80
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]						
	- Ratnagiri Gas and Power Private Limited [4,80,34,000 Cumulative Redeemable Preference Shares of ₹ 10 each]		62.71				62.71
	- RattanIndia Power Limited [7,29,49,786 Redeemable Preference Shares of ₹ 10 each]			79.53	79.53		79.53
	- RattanIndia Power Limited [10,99,93,397 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]						0.00
	- Suzlon Global Services Limited [38,161 Compulsorily Convertible Preference Shares of ₹ 100,000 each]						
(iv)	<b>Debentures</b>			41.84	41.84		41.84
	- Essar Power Transmission Company Limited [9,00,92,774 Series 1 - Optionally Convertible Debentures of ₹ 10 each]			16.85	16.85		16.85
	- Essar Power Transmission Company Limited [3,62,88,085 Series 2 - Optionally Convertible Debentures of ₹ 10 each]						0.00
	- Essar Power Transmission Company Limited [68,79,504 Series 3 - Optionally Convertible Debentures of ₹ 10 each]			90.34	90.34		90.34
	- Suzlon Energy Limited [34,791 Optionally Convertible Debentures of ₹ 100,000 each]						
(v)	<b>Others</b>		6.12		6.12		6.12
	- Units of "Small is Beautiful" Fund [61,52,200 units of ₹ 10 each]						
	<b>Total Investments</b>	72.51	723.35	1,142.49	1,865.84	14,746.95	16,685.30
(B)	<b>Geography wise investment</b>						
(i)	Investments Outside India	72.51	723.35	1,142.49	1,865.84	14,746.95	16,685.30
(ii)	Investments in India	72.51	723.35	1,142.49	1,865.84	14,746.95	16,685.30
	<b>Gross Geography wise investment</b>						
	Less: Impairment loss allowance					(0.25)	(0.25)
	<b>Net Geography wise investment</b>	72.51	723.35	1,142.49	1,865.84	14,746.70	16,685.05

\* Andhra Bank merged with Union Bank of India w.e.f 01.04.2020.  
^\nStruck off by RoC vide order dated 30.06.2020



(₹ in crore)

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



**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 30.09.2020	As at 31.03.2020
		5,038.96	5,038.72
(i)	Recoverable on account of Government of India Serviced Bonds	160.19	155.05
(ii)	Advances to Subsidiaries and Associates*	0.54	0.60
(iii)	Advances to Employees	93.32	93.11
(iv)	Loans to Employees	50.63	72.05
(v)	Others	(24.18)	(20.41)
	Less: Impairment loss allowance on Others		
	<b>Total Other Financial Assets</b>	<b>5,319.46</b>	<b>5,339.12</b>

\*Recoverable in cash.

**7 Current Tax Assets / Liabilities (Net)**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
		167.95	461.93
(i)	Advance income tax and TDS	206.26	189.38
(ii)	Tax deposited on income tax demands under contest	374.21	651.31
	<b>Current Tax Assets (Net)</b>	67.17	-
(i)	Provision for income tax net of Advance Tax	0.11	0.11
(ii)	Provision for income tax for demand under contest	67.28	0.11
	<b>Current Tax Liabilities (Net)</b>		

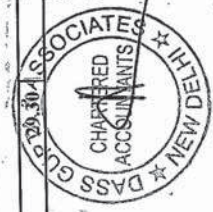




8 Property, Plant and Equipment (PPE) and Intangible Assets

Particulars	Property, Plant and Equipment							Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	
Gross Carrying Amount			16.35	17.60	11.15	0.09	73.49	9.47	
Opening Balance as at 01.04.2019	3.38	24.92	3.30	5.13	3.85	0.03	12.31	0.81	
Additions / Adjustments	-	-	1.78	1.63	0.46	-	3.87	-	
Deductions / Adjustments	-	-	17.87	21.10	14.54	0.12	81.93	10.28	
Closing Balance as at 31.03.2020	3.38	24.92	0.94	2.62	1.17	-	4.73	0.10	
Additions / Adjustments	-	-	0.73	1.12	0.41	-	2.26	-	
Deductions / Adjustments	-	-	18.08	22.60	15.30	0.12	84.40	10.38	
Closing Balance as at 30.09.2020	3.38	24.92							
<b>Accumulated Depreciation / Amortisation</b>									
Opening Balance as at 01.04.2019	-	11.79	12.99	13.07	7.83	0.08	45.76	8.88	
For the period	-	0.64	2.18	3.45	1.38	0.01	7.66	0.99	
On Assets Sold/Written off from books	-	-	1.51	1.21	0.12	-	2.84	-	
Closing Balance as at 31.03.2020	-	12.43	13.66	15.31	9.09	0.09	50.58	9.87	
For the period	-	0.30	1.17	1.72	0.74	0.01	3.94	0.17	
On Assets Sold/Written off from books	-	-	0.56	0.77	0.12	-	1.45	-	
Closing Balance as at 30.09.2020	-	12.73	14.27	16.26	9.71	0.10	53.07	10.04	
<b>Net Carrying Amount</b>									
As at 31.03.2020	3.38	12.49	4.21	5.79	5.45	0.03	31.35	0.41	
As at 30.09.2020	3.38	12.19	3.81	6.34	5.59	0.02	31.33	0.34	

Particulars	Property, Plant and Equipment							Intangible Assets	
	Freehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	Computer Software	
Gross Carrying Amount			16.35	17.60	11.15	0.10	73.50	9.47	
Opening Balance as at 01.04.2019	3.38	24.92	1.55	1.77	1.96	0.03	5.31	-	
Additions / Adjustments	-	-	0.80	0.53	0.15	-	1.48	-	
Deductions / Adjustments	-	-	17.10	18.84	12.96	0.13	77.33	9.47	
Closing Balance as at 30.09.2019	3.38	24.92							
<b>Accumulated Depreciation / Amortisation</b>									
Opening Balance as at 01.04.2019	-	11.79	12.99	13.07	7.83	0.08	45.76	8.88	
For the period	-	0.32	1.24	1.29	0.54	0.01	3.40	0.12	
On Assets Sold/Written off from books	-	-	0.68	0.41	0.04	-	1.13	-	
Closing Balance as at 30.09.2019	-	12.11	13.55	13.95	8.33	0.09	48.03	9.00	
<b>Net Carrying Amount</b>									
As at 30.09.2019	3.38	12.81	3.55	4.89	4.63	0.04	0.47		



9 Right-of-use Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Opening Balance of Leasehold Land	35.75	-
(ii)	Additions	-	36.20
(iii)	Less: Depreciation*	0.23	0.45
	<b>Closing Balance of Leasehold Land</b>	<b>35.52</b>	<b>35.75</b>

Sr. No.	Particulars	As at 30.09.2019
(i)	Opening Balance of Leasehold Land	-
(ii)	Additions	36.20
(iii)	Less: Depreciation*	0.22
	<b>Closing Balance of Leasehold Land</b>	<b>35.98</b>

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

10 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Prepaid Expenses	5.89	3.18
(ii)	Deferred Employee Costs	47.31	48.21
(iii)	Others	154.29	77.48
	<b>Total Other Non-Financial Assets</b>	<b>207.49</b>	<b>128.87</b>



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 30.09.2020	As at 31.03.2020
(i)	Bonds / Debenture		
	- Infrastructure Bonds	278.63	278.63
	- Tax Free Bonds	12,275.11	12,275.11
	- 54EC Capital Gain Tax Exemption Bonds	2,205.73	1,918.54
	- Taxable Bonds	1,82,958.79	1,72,930.24
	- Foreign Currency Notes	27,305.19	27,892.78
(ii)	Commercial Paper	3,019.92	-
(iii)	Interest accrued but not due on above	7,912.02	6,814.43
(iv)	Unamortised Transaction Cost on above	(204.21)	(262.06)
	<b>Total Debt Securities</b>	<b>2,35,751.18</b>	<b>2,21,847.67</b>
	<b>Geography wise Debt Securities</b>		
(i)	Debt Securities in India	2,08,357.44	1,93,872.39
(ii)	Debt Securities outside India	27,393.74	27,975.28
	<b>Total Geography wise Debt Securities</b>	<b>2,35,751.18</b>	<b>2,21,847.67</b>





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 30.09.2020	As at 31.03.2020
(A)	Term Loans		
(i)	From Banks and Financial Institutions	163.01	172.38
	- Foreign Currency Loans	18,228.06	19,635.63
	- Syndicated Foreign Currency Loans	58,569.98	49,598.98
	- Rupee Term Loans		
(ii)	From other Parties	7,500.00	7,500.00
	- Rupee Term Loans - GoI		
(B)	Other Loans from Banks	224.74	-
(i)	Loan against Term Deposits	2,338.04	2,038.36
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	362.53	375.43
(C)	Interest accrued but not due on above	(167.16)	(204.72)
(D)	Unamortised Transaction Cost on above		
	<b>Total Borrowings (other than Debt Securities)</b>	<b>87,219.20</b>	<b>79,116.06</b>
	<b>Geography wise Borrowings</b>		
(i)	Borrowings in India	68,960.67	59,448.04
(ii)	Borrowings outside India	18,258.53	19,668.02
	<b>Total Geography wise Borrowings</b>	<b>87,219.20</b>	<b>79,116.06</b>



**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 30.09.2020	As at 31.03.2020
	<b>Subordinated Liabilities</b>		
(i)	Subordinated Bonds	9,211.50	9,211.50
(ii)	Interest accrued but not due on above	463.39	103.04
(iii)	Unamortised Transaction Cost on above	(3.32)	(3.59)
	<b>Total Subordinated Liabilities</b>	<b>9,671.57</b>	<b>9,310.95</b>
	<b>Geography wise Subordinated Liabilities</b>		
(i)	Subordinated Bonds in India	9,671.57	9,310.95
(ii)	Subordinated Bonds outside India	-	-
	<b>Total Geography wise Subordinated Liabilities</b>	<b>9,671.57</b>	<b>9,310.95</b>





**14 Other Financial Liabilities**

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

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Payable on account of Government of India Serviced Bonds	5,038.96	5,038.72
(ii)	Advance received from Subsidiaries and Associates*	176.27	168.42
(iii)	Unclaimed Dividends	3.20	3.48
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	0.43	0.53
	- Unclaimed Interest on Bonds	14.31	15.16
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.91	0.83
	- Interest Subsidy Fund	18.02	17.31
	- Lease Liability	8.82	8.81
	- Other liabilities	100.70	121.90
	<b>Total Other Financial Liabilities</b>	<b>5,361.62</b>	<b>5,375.16</b>

\*Payable in cash



## 15 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	For Employee Benefits :		
	- Gratuity	1.39	2.76
	- Leave Encashment	39.07	35.11
	- Economic Rehabilitation of Employees	3.47	2.89
	- Provision for Bonus / Incentive	18.15	28.18
	- Provision for Staff Welfare Expenses	13.36	14.88
(ii)	Impairment Loss Allowance - Letter of Comfort	183.15	180.47
	<b>Total Provisions</b>	<b>258.59</b>	<b>264.29</b>

## 16 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Unamortised Fee - Undisbursed Loan Assets	132.95	105.76
(ii)	Statutory dues payable	17.27	3.31
(iii)	Sundry Liabilities Account (Interest Capitalisation)	33.07	-
	<b>Total Other Non-Financial Liabilities</b>	<b>183.29</b>	<b>109.07</b>



17 Equity Share Capital

Sr. No.	Particulars	As at 30.09.2020		As at 31.03.2020	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	<b>Authorised Capital</b>				
	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)	<b>Issued, Subscribed and Fully Paid-up Capital</b>				
	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)	<b>Reconciliation of Equity Share Capital</b>				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period	-	-	-	-
	<b>Closing Equity Share Capital</b>	<b>2,64,00,81,408</b>	<b>2,640.08</b>	<b>2,64,00,81,408</b>	<b>2,640.08</b>



## 18 Other Equity\*

(₹ in crore)

Sr. No.	Particulars	As at	As at
		30.09.2020	31.03.2020
(i)	Securities Premium	2,776.54	2,776.54
(ii)	Foreign Currency Monetary Item Translation Difference Account	(922.46)	(1,441.18)
(iii)	Special Reserve created u/s 45-1C(1) of Reserve Bank of India Act, 1934	3,301.88	2,544.96
(iv)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	2,339.54	2,514.17
(v)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85
(vi)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	20,100.50	18,848.40
(vii)	Interest Differential Reserve - KFW Loan	61.95	61.40
(viii)	General Reserve	11,432.04	10,983.81
(ix)	Retained Earnings	7,541.82	6,042.40
(x)	Reserve for Equity Instruments through Other Comprehensive Income	(345.62)	(313.64)
(xi)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through Other Comprehensive Income	(136.02)	(92.66)
(xii)	Cost of Hedging Reserve	(11.87)	-
	<b>Total</b>	<b>46,738.15</b>	<b>42,524.05</b>

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



## 19 Interest Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Interest on Loans	17,940.92	15,594.03
	Less : Rebate for Timely Payment to Borrowers	(107.24)	(196.71)
(ii)	Interest on Deposits with Banks	42.10	62.69
(iii)	Other Interest Income	16.70	17.32
<b>B</b>	<b>On Financial Assets Classified at Fair Value Through Profit or Loss</b>		
(i)	Interest on Investment	48.92	43.80
(ii)	Other Income	1.52	-
	<b>Total Interest Income (A+B)</b>	<b>17,942.92</b>	<b>15,521.13</b>





**20 Fees and Commission Income**

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

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Prepayment Premium on Loans	4.87	45.78
(ii)	Fee based Income on Loans	29.63	31.71
(iii)	Fee for implementation of Gov Schemes	4.65	-
	<b>Total Fees and Commission Income</b>	<b>39.15</b>	<b>77.49</b>

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

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	On financial instruments at Fair value through Profit or Loss: - Change in Fair Value of Derivatives - Change in Fair Value of Investments	426.50 (7.17)	(207.38) -
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>419.33</b>	<b>(207.38)</b>
	<b>Fair value changes:</b>		
(i)	- Realised	136.87	51.05
(ii)	- Unrealised	282.46	(258.43)
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>419.33</b>	<b>(207.38)</b>

**22 Other Income**

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Excess Liabilities written back	-	-
(ii)	Miscellaneous Income	17.70	7.00
	<b>Total Other Income</b>	<b>17.70</b>	<b>7.00</b>



## 23 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
	<b>On Financial Liabilities Measured At Amortised Cost</b>		
(i)	<b>Interest on Borrowings</b>		
	- Term Loans and Others	2,288.72	2,190.46
	- Interest on Lease Liability	0.39	0.39
(ii)	<b>Interest on Debt Securities</b>		
	- Bonds / Debentures	8,539.31	7,781.17
	- Commercial Papers	68.86	338.52
		426.14	425.82
(iii)	<b>Interest on Subordinated Liabilities</b>		
(iv)	<b>Other Interest Expense</b>		
	- Interest on Interest Subsidy Fund	0.71	0.69
	- Interest on advances received from Subsidiaries	1.55	2.86
		179.92	65.03
(v)	- Swap Premium ( Net )		
		11,505.60	10,804.94
	<b>Total Finance Costs</b>		



24 Fees and Commission Expense

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
		0.60	0.47
(i)	Agency Fees	1.20	0.80
(ii)	Guarantee, Listing and Trusteeship fees	4.43	2.62
(iii)	Credit Rating Fees	0.02	0.19
(iv)	Other Finance Charges	6.25	4.08
	<b>Total Fees and Commission Expense</b>		

25 Impairment on Financial Instruments

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>	793.91	(86.33)
(i)	Loans	57.63	51.19
(ii)	Investment (acquired on settlement of loans)	448.23	649.02
(iii)	Write Offs - Loans	3.77	4.36
(iv)	Other Financial Instruments	2.67	(6.37)
(v)	Letter of Comfort	1,306.21	611.87
	<b>Total Impairment on Financial Instruments</b>		

26 Employee Benefit Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
		71.88	70.68
(i)	Salaries and Wages	9.12	9.80
(ii)	Contribution to Provident and other Funds	14.70	26.24
(iii)	Staff Welfare Expenses	2.92	2.38
(iv)	Rent for Residential Accommodation of Employees	98.62	109.10
	<b>Total Employee Benefit Expenses</b>		

27 Other Expenses

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
		2.69	7.55
(i)	Rent, Taxes and Energy Cost	2.00	2.32
(ii)	Repairs and Maintenance	0.10	0.17
(iii)	Communication Costs	0.26	0.42
(iv)	Printing and Stationery	4.07	4.58
(v)	Advertisement and Publicity	0.12	0.09
(vi)	Directors Fees, Allowance and Expenses	0.25	0.17
(vii)	Auditor's fees and expenses	4.40	3.12
(viii)	Legal & Professional charges	0.09	0.05
(ix)	Insurance	3.95	7.11
(x)	Travelling and Conveyance	0.70	0.28
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	10.58	11.47
(xii)	Other Expenditure	29.21	37.33
	<b>Total Other Expenses</b>		





## Significant Accounting Policies

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

### 1.1 Basis of Preparation and Measurement

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

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

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

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

### 1.2 Cash and Cash Equivalents

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

### 1.3 Derivative financial instruments

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

#### Cash flow hedge

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

#### Fair value hedge

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

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



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

#### 1.4 Financial instruments

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

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

##### 1.4.1 Financial assets

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

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

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

###### a) Financial assets at Amortised Cost:

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

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

###### Effective Interest Rate (EIR) method

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

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

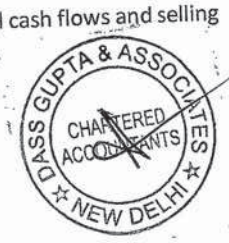
EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and





- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

Business Model

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

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

(ii) Classification and measurement of Equity Instruments

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

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

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

(iii) Impairment of financial assets

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

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

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

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition,



the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

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

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

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

(iv) De-recognition of financial assets

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

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

#### 1.4.2 Financial liabilities

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

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

(ii) Financial guarantee

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

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

(iii) De-recognition of financial liabilities

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

#### 1.5 Investment in Subsidiaries, Joint Ventures and Associates

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

#### 1.6 Property, Plant and Equipment (PPE) and Depreciation





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

### 1.7 Intangible assets and Amortisation

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

### 1.8 Provisions, Contingent Liabilities and Contingent Assets



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

### 1.9 Recognition of Income and Expenditure

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

### 1.10 Expenditure on issue of shares

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

### 1.11 Employee benefits

- (i) Defined Contribution Plan





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

(ii) Defined Benefit Plan

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

(iii) Other long term employee benefits

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

(iv) Short term employee benefits

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

(v) Loan to employees at concessional rate

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

### 1.12 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.





A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

- (iii) Additional Income Tax that arises from distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.

### 1.13 Leasing

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

#### The Company as a lessee

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

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

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

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

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

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

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

#### The Company as a lessor

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





Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Company in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.

#### 1.14 Foreign Currency Transactions and Translations

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

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

#### 1.15 Business Combination under Common Control

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

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

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

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

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

#### 1.16 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

#### 1.17 Dividends

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

#### 1.18 Earnings per share



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

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





**Summarised Notes to Unaudited Standalone Interim Financial Statements:**

- 1 These Unaudited Standalone Interim Financial 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 12.11.2020. The same have been subjected to limited review by Joint Statutory Auditors, Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India.
- 2 These Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 3 Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company as per Ind AS 109 is as under.
- |        |  | (₹ in crore)        |                     |
|--------|--|---------------------|---------------------|
| S. No. | Particulars                                  | As on<br>30.09.2020 | As on<br>31.03.2020 |
|        |  | 26,526.78           | 27,871.70           |
| a)     | Credit Impaired loans                        | 14,932.00           | 14,748.46           |
| b)     | Impairment Loss Allowance Maintained         | 56.29%              | 52.92%              |
| c)     | Impairment Loss Allowance Coverage (%) (b/a) |                     |                     |
- 4 As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.
- 5 The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Company to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Company is given at Annexure - 'A'.
- 6 In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.
- 7 Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.
- 8 Disclosure in respect of Moratorium and asset classification with regards to RBI Covid-19 Regulatory package pursuant to RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17.04.2020 is as under:
- | Sl. No. | Particulars  | As at<br>30.09.2020 |
|---------|--|---------------------|
| 1       | Amounts in SMA/overdue categories, where the moratorium/deferment was extended -For SMA 1                  | Nil                 |
| 2       | Amount where asset classification benefits is extended   | Nil                 |
| 3       | Provisions made in terms of para 5 of the circular   | Nil                 |
| 4       | Provisions adjusted during the respective accounting periods against slippages and the residual provisions | Nil                 |
- 9 Capital Risk Adjusted Ratio (CRAR) of the Company as at 30.09.2020 is 18.18 % comprising of Tier I Capital of 14.10 % and Tier II Capital of 4.08 %.

PLACE: NEW DELHI  
DATE: 12.11.2020



*R.S. Dhillon*  
R.S. Dhillon  
Chairman & Managing Director  
DIN - 00278074



## Annexure- 'A'

### Impact of COVID 19 on the Company

The outbreak of COVID-19 has caused significant disturbances in financial structures across the globe. In India, a nationwide lockdown was declared by Central Government in March, 2020. However, with the gradual unlocking across the country, the economic activities are gradually resuming. The Company continues to leverage its technological capabilities to carry its operations remotely as well.

Power consumption clocked double digit YoY growth of 12.10 % in October, buoyed by recovery in commercial and industrial activity as compared to a growth of 4.60 % in September, 2020. To mitigate the burden of debt servicing brought about by the disruptions of the business activities, the company in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated 27.03.2020, 17.04.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. In pursuance of the moratorium policy, an amount of ₹ 20,557 crore falling due from 01.03.2020 to 31.08.2020 has been granted moratorium.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company, up to 31.10.2020, has sanctioned an amount of ₹ 59,067 crore under this scheme of liquidity package to eligible Discoms.

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

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





**Independent Auditor's Review Report on Unaudited Consolidated Financial Results for the Quarter and Half Year Ended 30<sup>th</sup> September 2020 of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

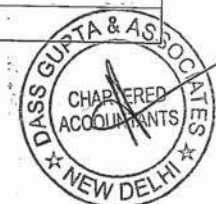
**To the Board of Director of  
Power Finance Corporation Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its associates and joint venture for the quarter and half year ended 30.09.2020 together with the notes thereon (the 'Statement') attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors in its meeting held on 12.11.2020, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

<b>Parent</b>	
1.	Power Finance Corporation Limited
<b>Subsidiaries:</b>	
1.	REC Limited <sup>#</sup>
2.	PFC Consulting Limited <sup>#</sup>
<b>Joint Venture Entity:</b>	
1.	Energy Efficiency Services Limited
<b>Associates:</b>	
1.	Coastal Maharashtra Mega Power Limited
2.	Orissa Integrated Power Limited







8. The Parent Company and its Subsidiary, REC Ltd., have continued to provide expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of document provided by an independent expert appointed by the respective company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the expected credit loss calculation so provided by the said independent expert(s).

9. Refer Note 8 of the unaudited consolidated financial results regarding the impact of COVID-19 pandemic on the group. Management is of the view there is no reason to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern.

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

**FOR GANDHI MINOCHA & CO.**

*Chartered Accountants*

Firm's Registration No.: 000458N



**CA MANOJ BHARDWAJ**

*Partner*

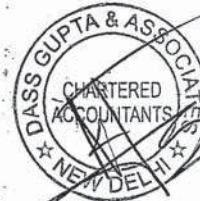
Membership No.098606

UDIN: 20098606AAAACW9924

**FOR DASS GUPTA & ASSOCIATES**

*Chartered Accountants*

Firm's Registration No.: 000112N



**CA ASHOK KUMAR JAIN**

*Partner*

Membership No. 090563

UDIN: 20090563AAAAC02425

**Date: 12.11.2020**

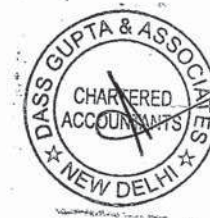
**Place: New Delhi**



**Power Finance Corporation Limited**  
**Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi**  
**Statement of Consolidated Financial Results for the Quarter and Half Year Ended 30.09.2020**

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
	<b>Revenue from Operations</b>						
(i)	Interest Income	18,034.82	16,855.71	15,396.34	34,890.53	29,904.89	61,628.35
(ii)	Dividend Income	12.29	-	16.03	12.29	16.50	105.65
(iii)	Fees and Commission Income	61.95	14.45	34.62	76.40	94.41	161.91
(iv)	Other Operating Income	49.23	43.89	81.84	93.12	107.77	293.53
<b>I.</b>	<b>Total Revenue from Operations</b>	<b>18,158.29</b>	<b>16,914.05</b>	<b>15,528.83</b>	<b>35,072.34</b>	<b>30,123.57</b>	<b>62,189.44</b>
<b>II.</b>	<b>Other Income</b>	<b>13.12</b>	<b>18.19</b>	<b>8.72</b>	<b>31.31</b>	<b>19.10</b>	<b>85.92</b>
<b>III.</b>	<b>Total Income (I+II)</b>	<b>18,171.41</b>	<b>16,932.24</b>	<b>15,537.55</b>	<b>35,103.65</b>	<b>30,142.67</b>	<b>62,275.36</b>
	<b>Expenses</b>						
(i)	Finance Costs	11,240.39	10,868.85	10,152.37	22,109.24	20,089.82	40,844.65
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	(692.14)	636.23	1,191.34	(55.91)	1,209.75	4,991.32
(iii)	Fees and Commission Expense	5.00	9.84	5.71	14.84	14.92	36.20
(iv)	Net Loss / (Gain) on Fair Value changes	408.85	(197.18)	(380.20)	211.67	(192.35)	(673.20)
(v)	Impairment on Financial Instruments	1,749.20	554.67	699.85	2,303.87	893.19	1,910.83
(vi)	Cost of Services Rendered	15.27	18.25	14.17	33.52	31.42	85.18
(vii)	Employee Benefit Expenses	92.65	88.68	110.46	181.33	217.65	399.72
(viii)	Depreciation, Amortisation and Impairment	5.89	5.57	5.59	11.46	10.71	24.43
(ix)	Corporate Social Responsibility Expenses	17.47	280.81	52.68	298.28	87.94	356.44
(x)	Other Expenses	44.64	45.46	66.13	90.10	108.48	228.55
<b>IV.</b>	<b>Total Expenses</b>	<b>12,887.22</b>	<b>12,311.18</b>	<b>11,918.10</b>	<b>25,198.40</b>	<b>22,471.53</b>	<b>48,204.12</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>	<b>5,284.19</b>	<b>4,621.06</b>	<b>3,619.45</b>	<b>9,905.25</b>	<b>7,671.14</b>	<b>14,071.24</b>
<b>VI.</b>	<b>Exceptional Items</b>	-	-	-	-	-	-
<b>VII.</b>	<b>Share of Profit / (Loss) in Joint Venture and Associates</b>	<b>4.76</b>	<b>4.85</b>	<b>0.17</b>	<b>9.61</b>	<b>11.42</b>	<b>21.43</b>
<b>VIII.</b>	<b>Profit/(Loss) Before Tax (V-VI)+VII.</b>	<b>5,288.95</b>	<b>4,625.91</b>	<b>3,619.62</b>	<b>9,914.86</b>	<b>7,682.56</b>	<b>14,092.67</b>
	<b>Tax Expense:</b>						
	(1) Current Tax:						
	- Current Year	1,388.47	1,037.94	344.03	2,426.41	1,501.05	3,004.98
	- Earlier Years	-	177.25	1.00	177.25	11.30	83.02
	(2) Deferred Tax	(389.26)	(146.51)	777.49	(535.77)	773.38	1,527.42
<b>IX.</b>	<b>Total Tax Expense</b>	<b>999.21</b>	<b>1,068.68</b>	<b>1,122.52</b>	<b>2,067.89</b>	<b>2,285.73</b>	<b>4,615.42</b>
<b>X.</b>	<b>Profit/(Loss) for the period from Continuing Operations (VIII-IX)</b>	<b>4,289.74</b>	<b>3,557.23</b>	<b>2,497.10</b>	<b>7,846.97</b>	<b>5,396.83</b>	<b>9,477.25</b>
<b>XI.</b>	<b>Profit/(Loss) from Discontinued Operations (After Tax)</b>	-	-	-	-	-	-
<b>XII.</b>	<b>Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)</b>	<b>4,289.74</b>	<b>3,557.23</b>	<b>2,497.10</b>	<b>7,846.97</b>	<b>5,396.83</b>	<b>9,477.25</b>
<b>XIII.</b>	<b>Other Comprehensive Income</b>						
(A)	(i) Items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	(4.46)	(1.27)	9.32	(5.73)	8.41	(7.96)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(14.61)	71.15	(222.11)	56.54	(227.58)	(416.31)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	-	-	(0.32)	-	(0.32)	(0.30)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss						
	- Re-measurement of Defined Benefit Plans	1.06	0.26	(2.74)	1.32	(2.32)	0.80
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(2.13)	(2.82)	11.61	(4.95)	12.39	12.39
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	-	0.07	-	0.07	0.05
	<b>Sub-Total (A)</b>	<b>(20.14)</b>	<b>67.32</b>	<b>(204.17)</b>	<b>47.18</b>	<b>(209.35)</b>	<b>(411.33)</b>
(B)	(i) Items that will be reclassified to Profit or Loss						
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	30.01	(123.60)	(24.02)	(93.59)	(12.95)	(348.86)
	- Cost of Hedging Reserve	97.79	177.01	-	274.80	-	(273.61)
	- 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	(7.54)	31.10	(0.40)	23.56	(4.27)	80.27
	- Cost of Hedging Reserve	(24.61)	(44.55)	-	(69.16)	-	68.86
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	-	(0.01)	-	0.80	-
	<b>Sub-Total (B)</b>	<b>95.65</b>	<b>39.96</b>	<b>(24.43)</b>	<b>135.61</b>	<b>(20.36)</b>	<b>(477.28)</b>
	<b>Other Comprehensive Income (A+B)</b>	<b>75.51</b>	<b>107.28</b>	<b>(228.60)</b>	<b>182.79</b>	<b>(229.71)</b>	<b>(888.61)</b>





<b>XIV.</b>	<b>Total Comprehensive Income for the period (XII+XIII)</b>	<b>4,365.25</b>	<b>3,664.51</b>	<b>2,268.50</b>	<b>8,029.76</b>	<b>5,167.12</b>	<b>8,588.64</b>
	<b>Profit attributable to:</b>						
	- Owners of the Company	3,249.06	2,683.20	1,870.71	5,932.26	4,055.70	7,122.13
	- Non-Controlling Interest	1,040.68	874.03	626.39	1,914.71	1,341.13	2,355.12
		<b>4,289.74</b>	<b>3,557.23</b>	<b>2,497.10</b>	<b>7,846.97</b>	<b>5,396.83</b>	<b>9,477.25</b>
	<b>Other Comprehensive Income attributable to:</b>						
	- Owners of the Company	22.69	31.26	(202.37)	53.95	(191.18)	(626.28)
	- Non-Controlling Interest	52.82	76.02	(26.23)	128.84	(38.53)	(262.33)
		<b>75.51</b>	<b>107.28</b>	<b>(228.60)</b>	<b>182.79</b>	<b>(229.71)</b>	<b>(888.61)</b>
	<b>Total Comprehensive Income attributable to:</b>						
	- Owners of the Company	3,271.75	2,714.46	1,668.34	5,986.21	3,864.52	6,495.85
	- Non-Controlling Interest	1,093.50	950.05	600.16	2,043.55	1,302.60	2,092.79
		<b>4,365.25</b>	<b>3,664.51</b>	<b>2,268.50</b>	<b>8,029.76</b>	<b>5,167.12</b>	<b>8,588.64</b>
<b>XV.</b>	<b>Paid up Equity Share Capital (Face Value ₹ 10/- each)</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>	<b>2,640.08</b>
<b>XVI.</b>	<b>Other Equity (As per Audited balance Sheet as at 31st March)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>46,759.72</b>
<b>XVII.</b>	<b>Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each)*:</b>						
	(1) For continuing operations (in ₹)	12.31	10.16	7.08	22.47	15.36	26.98
	(2) For discontinued operations (in ₹)	-	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	12.31	10.16	7.08	22.47	15.36	26.98

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

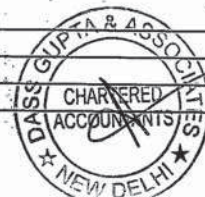
See accompanying Notes to the Consolidated Financial Results.



**Notes to the Consolidated Financial Results:**

**1. Consolidated Statement of Assets and Liabilities**

Sr. No.	Particulars	(₹ in crore)	
		As at 30.09.2020	As at 31.03.2020
		(Un-Audited)	(Audited)
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and Cash Equivalents	2,249.52	1,905.21
(b)	Bank Balance other than included in Cash and Cash Equivalents	2,334.49	2,282.96
(c)	Derivative Financial Instruments	4,509.52	5,182.27
(d)	Trade Receivables	158.75	137.31
(e)	Loans	6,97,154.89	6,46,196.11
(f)	Investments (Other than accounted for using equity method)	4,409.22	3,853.72
(g)	Other Financial Assets	27,294.42	27,462.12
	<b>Total Financial Assets (1)</b>	<b>7,38,110.81</b>	<b>6,87,019.70</b>
<b>2</b>	<b>Non- Financial Assets</b>		
(a)	Current Tax Assets (Net)	643.35	1,138.33
(b)	Deferred Tax Assets (Net)	5,491.05	5,005.31
(c)	Investment Property	0.01	0.01
(d)	Property, Plant and Equipment	184.17	186.79
(e)	Capital Work-in-Progress	370.59	287.62
(f)	Intangible Assets under development	0.77	0.77
(g)	Other Intangible Assets	7.80	9.23
(h)	Right of Use Assets	38.71	42.07
(i)	Other Non-Financial Assets	302.64	263.94
(j)	Investments accounted for using equity method	559.51	549.90
	<b>Total Non- Financial Assets (2)</b>	<b>7,598.60</b>	<b>7,483.97</b>
<b>3</b>	<b>Assets Classified as held for sale</b>	25.15	16.98
	<b>Total Assets (1+2+3)</b>	<b>7,45,734.56</b>	<b>6,94,520.65</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative Financial Instruments	1,989.84	1,925.55
(b)	Trade Payables		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	0.21	0.15
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	38.10	53.07
(c)	Debt Securities	4,61,316.01	4,41,765.90
(d)	Borrowings (other than Debt Securities)	1,60,457.17	1,40,666.72
(e)	Subordinated Liabilities	16,534.64	14,130.60
(f)	Other Financial Liabilities	28,511.65	29,177.04
	<b>Total Financial Liabilities (1)</b>	<b>6,68,847.62</b>	<b>6,27,719.03</b>
<b>2</b>	<b>Non- Financial Liabilities</b>		
(a)	Current Tax Liabilities (Net)	655.17	67.40
(b)	Provisions	364.67	374.32
(c)	Other Non-Financial Liabilities	271.47	193.85
	<b>Total Non- Financial Liabilities (2)</b>	<b>1,291.31</b>	<b>635.57</b>
<b>3</b>	<b>Liabilities directly associated with assets classified as held for sale</b>	0.12	0.68
	<b>Total Liabilities (1+2+3)</b>	<b>6,70,139.05</b>	<b>6,28,355.28</b>
<b>4</b>	<b>Equity</b>		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	53,728.71	46,759.72
	<b>Equity attributable to owners of the Company (a+b)</b>	<b>56,368.79</b>	<b>49,399.80</b>
(c)	Non-Controlling interest	19,226.72	16,765.57
	<b>Total Equity (4)</b>	<b>75,595.51</b>	<b>66,165.37</b>
	<b>Total Liabilities and Equity (1+2+3+4)</b>	<b>7,45,734.56</b>	<b>6,94,520.65</b>



2. Consolidated Statement of Cash Flows for the Half Year ended 30.09.2020

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2020		Half Year ended 30.09.2019	
<b>I.</b>	<b>Cash Flow from Operating Activities :-</b>				
	Profit before Tax	9,914.86		7,682.56	
	Adjustments for:				
	Loss on derecognition of Property, Plant and Equipment (net)	3.13		0.90	
	Depreciation and Amortisation	11.46		10.71	
	Interest expense on Zero Coupon Bonds and Commercial Papers	14.99		578.92	
	Unrealised Foreign Exchange Translation Loss / (Gain)	470.98		1,022.05	
	Net Change in Fair Value	229.24		17.69	
	Impact of Effective Interest Rate on Loans	(6.63)		39.17	
	Impairment on Financial Instruments	2,303.87		893.19	
	Interest income on Investments and Others	(197.21)		(200.46)	
	Interest on Interest Subsidy Fund	0.71		0.69	
	Excess Liabilities written back	(0.05)		(0.60)	
	Provision for Retirement Benefits etc.	(0.18)		27.40	
	Dividend Income	(12.29)		(16.50)	
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	184.00		(78.09)	
	Interest on Income Tax Refund	(9.67)		(0.57)	
	Interest expenses on Lease Liability	0.39		0.39	
	Interest expense on Other Liabilities	0.13		-	
	Share of Profit/Loss of Joint Venture accounted for using equity method	(9.61)		(11.42)	
	<b>Operating profit before Working Capital Changes:</b>	<b>12,898.11</b>		<b>9,966.03</b>	
	Increase / Decrease :				
	Loans (Net)	(54,575.28)		(31,925.17)	
	Other Financial and Non-Financial Assets	868.23		14,666.65	
	Derivative	180.23		(358.31)	
	Other Financial & Non-Financial Liabilities and Provisions	1,114.54		2,105.97	
	<b>Cash Flow from Operations Before Tax</b>	<b>(39,514.17)</b>		<b>(5,544.83)</b>	
	Income Tax paid	(1,826.15)		(1,858.42)	
	Income Tax Refund	305.85		69.71	
	<b>Net Cash flow from Operating Activities</b>		<b>(41,034.47)</b>		<b>(7,333.54)</b>
<b>II.</b>	<b>Cash Flow From Investing Activities :</b>				
	Proceeds from disposal of Property, Plant and Equipment	0.18		0.91	
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(49.86)		(72.61)	
	Interest income on investment	47.97		154.19	
	Dividend on investment	12.29		16.50	
	Increase / Decrease in Other Investments	201.63		(111.02)	
	<b>Net Cash Used in Investing Activities</b>		<b>212.21</b>		<b>(12.03)</b>
<b>III.</b>	<b>Cash Flow From Financing Activities :</b>				
	Raising of Bonds (including premium) (Net of Redemptions)	15,286.22		9,806.17	
	Raising of Long Term Loans (Net of Repayments)	21,319.09		3,095.04	
	Raising of Foreign Currency Loans (Net of Repayments)	1,844.22		18,922.03	
	Raising of Subordinated Liabilities (Net of Redemptions)	1,999.50		-	
	Raising of Commercial paper (Net of Repayments)	195.00		(9,315.96)	
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	524.42		(12,452.69)	
	Unclaimed Bonds (Net)	(0.95)		(0.62)	
	Unclaimed Dividend (Net)	(0.28)		(0.01)	
	Payment of Lease Liability	(0.65)		(0.80)	
	<b>Net Cash in-flow from Financing Activities</b>		<b>41,166.57</b>		<b>10,053.16</b>
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>		<b>344.31</b>		<b>2,707.59</b>
	Add : Cash and Cash Equivalents at beginning of the financial year		1,905.21		725.03
	<b>Cash and Cash Equivalents at the end of the period</b>		<b>2,249.52</b>		<b>3,432.62</b>
	<b>Details of Cash and Cash Equivalents at the end of the period:</b>				
	i) Balances with Banks (of the nature of cash and cash equivalents)				
	In current accounts	1,109.62		1,018.27	
	In Term Deposit Accounts	1,139.82	2,249.44	1,866.29	2,884.56
	ii) Cheques, Drafts on hand including postage and Imprest		0.08		0.06
	iii) Investment in Debt Mutual Fund		0.00		548.00
	<b>Total Cash and Cash Equivalents at the end of the period</b>		<b>2,249.52</b>		<b>3,432.62</b>

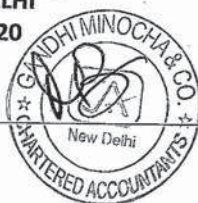
The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.





- 3 The unaudited consolidated financial results of the Group have been reviewed & recommended by Audit Committee and subsequently approved and taken on record by Board of Directors of the Company in their respective meetings held on 12.11.2020. The same have been limited reviewed by Joint Statutory Auditors of the Company viz. Gandhi Minocha & Co., Chartered Accountants and Dass Gupta & Associates, Chartered Accountants in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4 The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 5 Consolidated financial results for the quarter and half year ended 30.09.2020 include audited consolidated result of one subsidiary and management approved results of one subsidiary; one joint venture entity and fifteen associates. Financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 – 'Consolidated Financial Statements', Ind AS 111 – 'Joint Arrangements' and Ind AS 28- 'Investments in Associates and Joint Ventures'.
- 6 Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company and its subsidiary REC Ltd., as per Ind AS 109 is as under.
- | (₹ in crore) |  |                     |                     |
|--------------|--|---------------------|---------------------|
| S. No.       | Particulars                                  | As on<br>30.09.2020 | As on<br>31.03.2020 |
| a)           | Credit Impaired loans                        | 44,747.40           | 49,127.25           |
| b)           | Impairment Loss Allowance Maintained         | 26,035.35           | 25,300.59           |
| c)           | Impairment Loss Allowance Coverage (%) (b/a) | 58.18%              | 51.50%              |
- 7 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.
- 8 The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Group to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Group is given at Annexure-'A'.
- 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 As required under Reg 23(9) of SEBI (LODR) Regulations, 2015, disclosure of related party transactions on a consolidated basis for the half year ended 30.09.2020 is given at Annexure- 'B'.
- 11 Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI  
DATE: 12.11.2020



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



**Impact of COVID 19 on the Group**

The outbreak of COVID-19 has caused significant disturbances in financial structures across the globe. In India, a nationwide lockdown was declared by Central Government in March, 2020. However, with the gradual unlocking across the country, the economic activities are gradually resuming. The Group continues to leverage its technological capabilities to carry its operations remotely as well.

Power consumption clocked double digit YoY growth of 12.10 % in October, buoyed by recovery in commercial and industrial activity as compared to a growth of 4.60 % in September, 2020. To mitigate the burden of debt servicing brought about by the disruptions of the business activities, the company and its subsidiary REC Ltd in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated 27.03.2020, 17.04.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. In pursuance of the moratorium policy, an amount of ₹ 34,159 crore falling due from 01.03.2020 to 31.08.2020 has been granted moratorium.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company and its subsidiary REC Ltd, upto 31.10.2020, has sanctioned an amount of ₹ 1,18,273 crore under this scheme of liquidity package to eligible Discoms.

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

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



## Annexure – 'B'

Transactions with the related parties during the half year ended 30.09.2020 on consolidated basis.

(₹ in Crore)

Particulars	Amount
<b>(i) Associates</b>	
Advances to associates	0.97
Recoveries of advances (including interest) from associates	33.21
Interest income on advances to associates	8.77
Advances received from Associates	6.87
Interest expenses on advances from associates	1.55
Income on transfer of associate	8.14
Others	9.95
<b>(ii) Joint Venture entity</b>	0.09
<b>(iii) Trusts / Funds/ Foundations of the Group</b>	
Contributions made during the year	9.65
Finance Costs – Interest Paid	0.70
<b>(iv) Key Managerial Personnel</b>	
Short term employee benefits (a)	3.92
Post-employment benefits (b)	0.31
Other long term benefits (c)	0.42
<b>Sub Total (a+b+c)</b>	4.65
Repayment/ Recovery of loans and advances	0.15
Directors' Sitting Fees	0.15
<b>(v) Other Related Parties</b>	
Dividend Received	6.60
Others	0.004



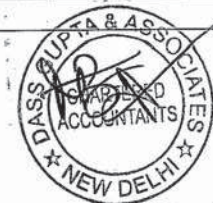


**Independent Auditor's Review Report on the Year to Date Unaudited Consolidated Interim Financial Statements of the Company**

To the Board of Directors,  
Power Finance Corporation Limited

1. We have reviewed the accompanying unaudited consolidated interim financial statements of Power Finance Corporation Limited (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its associates and jointly controlled entity, which comprise the Consolidated Balance Sheet as at 30.09.2020, Consolidated Statement of Profit & Loss, Consolidated Statement of Cash flow and Consolidated Statement of changes in equity for the period then ended and Significant Accounting Policies & Summarized Notes to Accounts thereon.
2. These unaudited consolidated interim financial statements are the responsibility of the Parent's management and have been approved by the Parent's Board of Directors in its meeting held on 12.11.2020, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, and other accounting principles generally accepted in India. Our responsibility is to issue a report on these unaudited consolidated 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. The Interim Financial Statement includes the results of the following entities:

<b>Parent</b>	
1.	Power Finance Corporation Limited
<b>Subsidiaries:</b>	
1.	REC Limited <sup>#</sup>
2.	PFC Consulting Limited <sup>#</sup>
<b>Joint Venture Entity:</b>	
1.	Energy Efficiency Services Limited
<b>Associates:</b>	
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.	Deochar 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 statements considered for consolidation*

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

#### Other Matters

6. We did not review the audited financial statement of one subsidiary included in the unaudited consolidated interim financial statement, which reflect total assets of ₹ 3,71,550.80 crore as at 30.09.2020 and total revenues of ₹ 17,062.51 crore, total net profit after tax of ₹ 4,042.44 crore and total comprehensive income (net of tax) of ₹ 4,314.47 crore and cash flows (net) of ₹ 196.38 crore for the half year ended 30.09.2020, as considered suitably in the unaudited consolidated financial results. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above. The financial results of the subsidiary also includes share of net profit after tax of ₹ 4.52 crore and total comprehensive income (net of tax) of ₹ 4.52 crore for the half year ended 30.09.2020 in respect of one joint venture (JV) which has not been reviewed. Since said JV is common JV in group accordingly these numbers are forming part of numbers mentioned in para 7 below.
7. The unaudited consolidated interim financial statements includes the interim financial statements of one other subsidiary which have not been reviewed, which reflect total asset of ₹ 128.10 crore as at 30.09.2020, total revenues of ₹ 34.80 crore, total net profit after tax of ₹ 14.84 crore and total comprehensive income of ₹ 14.84 crore and cash flows (net) of ₹ 22.64 crore for the half year ended 30.09.2020, as considered in the unaudited consolidated interim financial statements.

The unaudited consolidated interim financial statements also includes the Group's share of net profit after tax of ₹ 9.61 crore and total comprehensive income of ₹ 9.61 crore for the half year ended 30.09.2020, as considered in the unaudited consolidated interim financial statements, in respect of fifteen associates and one joint venture, based on their financial statement which have not been reviewed. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

8. The Parent Company and its Subsidiary, REC Ltd., have continued to provide expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of document provided by an independent expert appointed by the respective company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the expected credit loss calculation so provided by the said independent expert(s).



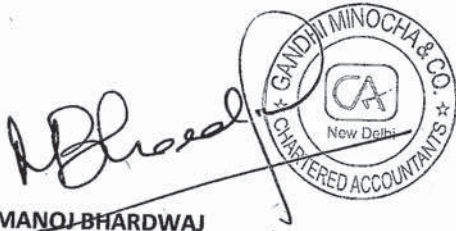


9. Refer Note 6 of the unaudited consolidated interim financial statements regarding the impact of COVID-19 pandemic on the group. Management is of the view the there is no reason to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern.

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

This report has been issued at the request of the company for the purpose of its proposed public issuance and raising of foreign currency bonds.

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

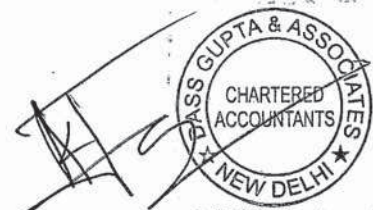


**CA MANOJ BHARDWAJ**  
Partner  
Membership No. 098606  
UDIN: 20098606AAAA CY6639

**Date: 12.11.2020**

**Place: New Delhi**

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



**CA ASHOK KUMAR JAIN**  
Partner  
Membership No. 090563  
UDIN: 20090563AAAA CP5494

**Power Finance Corporation Limited**  
**Consolidated Balance Sheet as at September 30, 2020**

(₹ in crore)

Sr. No.	Particulars	Note No.	As at 30.09.2020	As at 31.03.2020
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents			
(b)	Bank Balance other than included in Cash and Cash Equivalents	1	2,249.52	1,905.21
(c)	Derivative Financial Instruments	2	2,334.49	2,282.96
(d)	Trade Receivables	3	4,509.52	5,182.27
(e)	Loans	4	158.75	137.31
(f)	Investments (Other than accounted for using equity method)	5	6,97,154.89	6,46,196.11
(g)	Other Financial Assets	6A	4,409.22	3,853.72
		7	27,294.42	27,462.12
	<b>Total Financial Assets (1)</b>		<b>7,38,110.81</b>	<b>6,87,019.70</b>
<b>2</b>	<b>Non- Financial Assets</b>			
(a)	Current Tax Assets (Net)			
(b)	Deferred Tax Assets (Net)	8	643.35	1,138.33
(c)	Investment Property		5,491.05	5,005.31
(d)	Property, Plant and Equipment	9	0.01	0.01
(e)	Capital Work-in-Progress	10	184.17	186.79
(f)	Intangible Assets under development	10	370.59	287.62
(g)	Other Intangible Assets	10	0.77	0.77
(h)	Right of Use Assets	10	7.80	9.23
(i)	Other Non-Financial Assets	11	38.71	42.07
(j)	Investments accounted for using equity method	12	302.64	263.94
		6B	559.51	549.90
	<b>Total Non- Financial Assets (2)</b>		<b>7,598.60</b>	<b>7,483.97</b>
<b>3</b>	Assets Classified as held for sale	13	25.15	16.98
	<b>Total Assets (1+2+3)</b>		<b>7,45,734.56</b>	<b>6,94,520.65</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative Financial Instruments	3	1,989.84	1,925.55
(b)	Trade Payables	14		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises		0.21	0.15
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		38.10	53.07
(c)	Debt Securities	15	4,61,316.01	4,41,765.90
(d)	Borrowings (other than Debt Securities)	16	1,60,457.17	1,40,666.72
(e)	Subordinated Liabilities	17	16,534.64	14,130.60
(f)	Other Financial Liabilities	18	28,511.65	29,177.04
	<b>Total Financial Liabilities (1)</b>		<b>6,68,847.62</b>	<b>6,27,719.03</b>
<b>2</b>	<b>Non- Financial Liabilities</b>			
(a)	Current Tax Liabilities (Net)	8	655.17	67.40
(b)	Provisions	19	364.67	374.32
(c)	Other Non-Financial Liabilities	20	271.47	193.85
	<b>Total Non- Financial Liabilities (2)</b>		<b>1,291.31</b>	<b>635.57</b>
<b>3</b>	Liabilities directly associated with assets classified as held for sale	13	0.12	0.68
	<b>Total Liabilities (1+2+3)</b>		<b>6,70,139.05</b>	<b>6,28,355.28</b>
<b>4</b>	<b>Equity</b>			
(a)	Equity Share Capital	21	2,640.08	2,640.08
(b)	Other Equity	22	53,728.71	46,759.72
	<b>Equity attributable to owners of the Company (a+b)</b>		<b>56,368.79</b>	<b>49,399.80</b>
(c)	Non-Controlling interest	23	19,226.72	16,765.57
	<b>Total Equity (4)</b>		<b>75,595.51</b>	<b>66,165.37</b>
	<b>Total Liabilities and Equity (1+2+3+4)</b>		<b>7,45,734.56</b>	<b>6,94,520.65</b>

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

*R. S. Dhillon*

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



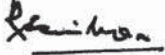


**Power Finance Corporation Limited**  
**Consolidated Statement of Profit and Loss for the Half Year ended September 30, 2020**

(₹ in crore)

Sr. No.	Particulars	Note No.	Half Year ended 30.09.2020	Half Year ended 30.09.2019
	<b>Revenue from Operations</b>			
(i)	Interest Income	24	34,890.53	29,904.89
(ii)	Dividend Income		12.29	16.50
(iii)	Fees and Commission Income	25	76.40	94.41
(iv)	Other Operating Income	27	93.12	107.77
<b>I.</b>	<b>Total Revenue from Operations</b>		<b>35,072.34</b>	<b>30,123.57</b>
<b>II.</b>	<b>Other Income</b>		<b>31.31</b>	<b>19.10</b>
<b>III.</b>	<b>Total Income (I+II)</b>		<b>35,103.65</b>	<b>30,142.67</b>
	<b>Expenses</b>			
(i)	Finance Costs	29	22,109.24	20,089.82
(ii)	Net Translation / Transaction Exchange Loss / (Gain)		(55.91)	1,209.75
(iii)	Fees and Commission Expense	30	14.84	14.92
(iv)	Net Loss / (Gain) on Fair Value changes	26	211.67	(192.35)
(v)	Impairment on Financial Instruments	31	2,303.87	893.19
(vi)	Cost of Services Rendered		33.52	31.42
(vii)	Employee Benefit Expenses	32	181.33	217.65
(viii)	Depreciation, Amortisation and Impairment	10/11	11.46	10.71
(ix)	Corporate Social Responsibility Expenses		298.28	87.94
(x)	Other Expenses	33	90.10	108.48
<b>IV.</b>	<b>Total Expenses</b>		<b>25,198.40</b>	<b>22,471.53</b>
<b>V.</b>	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>9,905.25</b>	<b>7,671.14</b>
<b>VI.</b>	<b>Exceptional Items</b>		-	-
<b>VII.</b>	<b>Share of Profit / (Loss) in Joint Venture and Associates</b>		9.61	11.42
<b>VIII.</b>	<b>Profit/(Loss) Before Tax (V-VI+VII)</b>		<b>9,914.86</b>	<b>7,682.56</b>
	<b>Tax Expense:</b>			
	(1) Current Tax			
	- Current Year		2,426.41	1,501.05
	- Earlier Years		177.25	11.30
	(2) Deferred Tax		(535.77)	773.38
<b>IX.</b>	<b>Total Tax Expense</b>		<b>2,067.89</b>	<b>2,285.73</b>
<b>X.</b>	<b>Profit/(Loss) for the half year from Continuing Operations (VIII-IX)</b>		<b>7,846.97</b>	<b>5,396.83</b>
<b>XI.</b>	<b>Profit/(Loss) From Discontinued Operations (After Tax)</b>		-	-
<b>XII.</b>	<b>Profit/(Loss) for the half year (for continuing and discontinued operations) (X+XI)</b>		<b>7,846.97</b>	<b>5,396.83</b>
<b>XIII.</b>	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		(5.73)	8.41
	- Net Gain / (Loss) on Fair Value of Equity Instruments		56.54	(227.58)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method		-	(0.32)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss			
	- Re-measurement of Defined Benefit Plans		1.32	(2.32)
	- Net Gain / (Loss) on Fair Value of Equity Instruments		(4.95)	12.39
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		-	0.07
	<b>Sub-Total (A)</b>		<b>47.18</b>	<b>(209.35)</b>
(B)	(i) Items that will be reclassified to Profit or Loss			
	- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow		(93.59)	(12.95)
	- Cost of Hedging Reserve		274.80	-
	- 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		23.56	(4.27)
	- Cost of Hedging Reserve		(69.16)	-
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method		-	0.80
	<b>Sub-Total (B)</b>		<b>135.61</b>	<b>(20.36)</b>
	<b>Other Comprehensive Income (A+B)</b>		<b>182.79</b>	<b>(229.71)</b>



<b>XIV. Total Comprehensive Income for the Half Year (XII+XIII)</b>		<b>8,029.76</b>	<b>5,167.12</b>
<b>Profit for the half year attributable to:</b>			
- Owners of the Company		5,932.26	4,055.70
- Non-Controlling Interest		1,914.71	1,341.13
		<b>7,846.97</b>	<b>5,396.83</b>
<b>Other Comprehensive Income for the Half Year</b>			
- Owners of the Company		53.95	(191.18)
- Non-Controlling Interest		128.84	(38.53)
		<b>182.79</b>	<b>(229.71)</b>
<b>Total Other Comprehensive Income for the Half Year</b>			
- Owners of the Company		5,986.21	3,864.52
- Non-Controlling Interest		2,043.55	1,302.60
		<b>8,029.76</b>	<b>5,167.12</b>
<b>XV. Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):</b>			
(1) For continuing operations (in ₹)		22.47	15.36
(2) For discontinued operations (in ₹)		-	-
(3) For continuing and discontinued operations (in ₹)		22.47	15.36
<b>EPS for the Half Year(s) is not annualised</b>			
		 <b>(R. S. Dhillon)</b> Chairman and Managing Director DIN - 00278074	
Place : New Delhi Date : 12.11.2020			





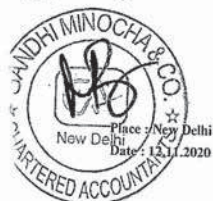


Power Finance Corporation Limited  
Consolidated Statement of Cash Flows for the Half Year ended September 30, 2020

(₹ in crore)

Sr. No.	Description	Half Year ended 30.09.2020	Half Year ended 30.09.2019
I.	<b>Cash Flow from Operating Activities :-</b>		
	<b>Profit before Tax</b>	9,914.86	7,682.56
	<b>Adjustments for:</b>		
	Loss on derecognition of Property, Plant and Equipment (net)	3.13	0.90
	Depreciation and Amortisation	11.46	10.71
	Interest expense on Zero Coupon Bonds and Commercial Papers	14.99	578.92
	Unrealised Foreign Exchange Translation Loss / (Gain)	470.98	1,022.05
	Net Change in Fair Value	229.24	17.69
	Impact of Effective Interest Rate on Loans	(6.63)	39.17
	Impairment on Financial Instruments	2,303.87	893.19
	Interest income on Investments and Others	(197.21)	(200.46)
	Interest on Interest Subsidy Fund	0.71	0.69
	Excess Liabilities written back	(0.05)	(0.60)
	Provision for Retirement Benefits etc.	(0.18)	27.40
	Dividend Income	(12.29)	(16.50)
	Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	184.00	(78.09)
	Interest on Income Tax Refund	(9.67)	(0.57)
	Interest expenses on Lease Liability	0.39	0.39
	Interest expense on Other Liabilities	0.13	-
	Share of Profit/Loss of Joint Venture accounted for using equity method	(9.61)	(11.42)
	<b>Operating profit before Working Capital Changes:</b>	12,898.11	9,966.03
	<b>Increase / Decrease :</b>		
	Loans (Net)	(54,575.28)	(31,925.17)
	Other Financial and Non-Financial Assets	868.23	14,666.65
	Derivative	180.23	(358.31)
	Other Financial & Non-Financial Liabilities and Provisions	1,114.54	2,105.97
	<b>Cash Flow from Operations Before Tax</b>	(39,514.17)	(5,544.83)
	Income Tax paid	(1,826.15)	(1,858.42)
	Income Tax Refund	305.85	69.71
	<b>Net Cash flow from Operating Activities</b>	(41,034.47)	(7,333.54)
II.	<b>Cash Flow From Investing Activities :</b>		
	Proceeds from disposal of Property, Plant and Equipment	0.18	0.91
	Purchase of Property, Plant and Equipment (including CWIP and capital advance)	(49.86)	(72.61)
	Interest income on investment	47.97	154.19
	Dividend on investment	12.29	16.50
	Increase / Decrease in Other Investments	201.63	(111.02)
	<b>Net Cash Used in Investing Activities</b>	212.21	(12.03)
III.	<b>Cash Flow From Financing Activities :</b>		
	Raising of Bonds (including premium) (Net of Redemptions)	15,286.22	9,806.17
	Raising of Long Term Loans (Net of Repayments)	21,319.09	3,095.04
	Raising of Foreign Currency Loans (Net of Repayments)	1,844.22	18,922.03
	Raising of Subordinated Liabilities (Net of Redemptions)	1,999.50	-
	Raising of Commercial paper (Net of Repayments)	195.00	(9,315.96)
	Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayme	524.42	(12,452.69)
	Unclaimed Bonds (Net)	(0.95)	(0.62)
	Unclaimed Dividend (Net)	(0.28)	(0.01)
	Payment of Lease Liability	(0.65)	(0.80)
	<b>Net Cash in-flow from Financing Activities</b>	41,166.57	10,053.16
	<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	344.31	2,707.59
	Add : Cash and Cash Equivalents at beginning of the financial year	1,905.21	725.03
	<b>Cash and Cash Equivalents at the end of the period</b>	2,249.52	3,432.62
	<b>Details of Cash and Cash Equivalents at the end of the period:</b>		
	i) Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts	1,109.62	1,018.27
	In Term Deposit Accounts	1,139.82	2,884.56
	ii) Cheques, Drafts on hand including postage and Imprest	0.08	0.06
	iii) Investment in Debt Mutual Fund	0.00	548.00
	<b>Total Cash and Cash Equivalents at the end of the period</b>	2,249.52	3,432.62

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



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

**I Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In Current Accounts	1,109.62	1,380.56
	- In Term Deposit Accounts	1,139.82	524.59
(ii)	Cash, Cheques, Drafts on hand including postage & Imprest	0.08	0.06
	<b>Total Cash and Cash Equivalents</b>	<b>2,249.52</b>	<b>1,905.21</b>

**2 Bank Balance other than included in Cash and Cash Equivalents**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Earmarked Balances and Term Deposits with Banks for:		
	- Term Deposits	863.00	-
	- Unpaid Dividend	8.55	8.23
	- Unpaid - Bonds / Interest on Bonds etc.	11.95	12.99
	- Amount received under IPDS / R-APDRP scheme	0.00	0.00
	- Govt. funds for further Disbursement	1,183.52	1,850.70
(ii)	Deposit in compliance of Court	0.53	0.53
(iii)	Balance with Bank not available for use pending allotment of securities	245.72	400.19
(iv)	Term Deposits with Banks- More than 3 months but less than 12 months	19.89	9.04
(v)	Other Term Deposits	1.33	1.28
	<b>Total Bank Balance other than included in Cash and Cash Equivalents</b>	<b>2,334.49</b>	<b>2,282.96</b>





### 3 Derivative Financial Instruments

The Company and its Subsidiary REC Ltd., enters into derivatives for hedging Currency and Interest Rate risk. Derivatives include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Derivative transactions include forwards, interest rate swaps, cross currency swaps, currency / cross currency options etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

#### Part - I

Sr. No.	Particulars	As at 30.09.2020			As at 31.03.2020		
		Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
(i)	<b>Currency Derivatives:</b>						
	- Spot and Forwards	5,726.66	47.19	103.61	5,937.27	210.49	20.23
	- Currency Swaps	15,316.80	1,092.88	23.24	15,156.06	1,833.15	-
	- Options	32,028.99	2,774.96	33.56	28,389.78	2,716.58	-
	<b>Total Currency Derivatives:</b>	<b>53,072.45</b>	<b>3,915.03</b>	<b>160.41</b>	<b>49,483.11</b>	<b>4,760.22</b>	<b>20.23</b>
(ii)	<b>Interest Rate Derivatives</b>						
	- Forward Rate Agreements and Interest Rate Swaps	45,935.42	594.49	1,107.72	46,573.66	422.05	1,165.65
	<b>Total Interest Rate Derivatives</b>	<b>45,935.42</b>	<b>594.49</b>	<b>1,107.72</b>	<b>46,573.66</b>	<b>422.05</b>	<b>1,165.65</b>
(iii)	<b>Other Derivatives</b>						
	- Reverse cross currency swaps	4,347.00	-	721.71	4,347.00	-	739.67
	<b>Total Other Derivatives</b>	<b>4,347.00</b>	<b>-</b>	<b>721.71</b>	<b>4,347.00</b>	<b>-</b>	<b>739.67</b>
	<b>Total Derivative Financial Instruments [(i) + (ii) + (iii)]</b>	<b>1,03,354.87</b>	<b>4,509.52</b>	<b>1,989.84</b>	<b>1,00,403.77</b>	<b>5,182.27</b>	<b>1,925.55</b>
<b>Part - II</b>							
Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:							
(i)	<b>Cash Flow Hedging (Designated):</b>						
	- Currency Derivatives	29,187.78	2,237.47	56.80	27,902.90	2,189.79	303.14
	- Interest Rate Derivatives	21,838.22	-	682.14	13,267.92	5.24	368.02
	<b>Total Cash Flow Hedging (Designated)</b>	<b>51,026.00</b>	<b>2,237.47</b>	<b>738.94</b>	<b>41,170.82</b>	<b>2,195.03</b>	<b>671.16</b>
(ii)	<b>Undesignated Derivatives</b>						
	<b>Total Undesignated Derivatives</b>	<b>52,328.87</b>	<b>2,272.05</b>	<b>1,250.90</b>	<b>59,232.95</b>	<b>2,987.24</b>	<b>1,254.39</b>
	<b>Total Derivative Financial Instruments [(i) + (ii)]</b>	<b>1,03,354.87</b>	<b>4,509.52</b>	<b>1,989.84</b>	<b>1,00,403.77</b>	<b>5,182.27</b>	<b>1,925.55</b>





4 Trade Receivables

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	<b>Trade Receivables</b>		
	- considered good - Secured (Gross)	31.36	26.59
	- considered good - Unsecured (Gross)	104.20	87.92
	Less: Impairment loss allowance	(9.28)	(13.66)
	- which have Significant Increase in Credit Risk (Gross)	49.47	52.01
	Less: Impairment loss allowance	(17.00)	(15.55)
	- Credit Impaired (Gross)	43.39	40.04
	Less: Impairment loss allowance on Credit Impaired	(43.39)	(40.04)
	<b>Total Trade Receivables</b>	<b>158.75</b>	<b>137.31</b>



## 5 Loans

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

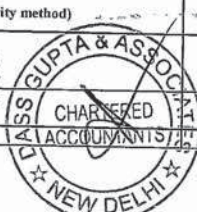
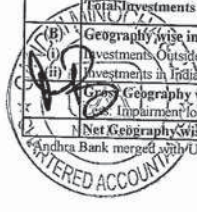
		(₹ in crore)	
Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
<b>(A)</b>	<b>Loans to Borrowers</b>		
(i)	- Rupee Term Loans (RTLs)	7,06,813.87	6,52,971.18
(ii)	- Foreign Currency Loans	240.99	240.99
(iii)	- Buyer's Line of Credit	2,227.28	2,031.28
(iv)	- Working Capital Loans	10,137.25	11,417.96
(v)	- Leasing	223.77	223.77
(vi)	- Receivable for invoked Default Payment Guarantee	466.43	444.09
(vii)	- Interest accrued but not due on Loans	5,955.77	5,327.77
(viii)	- Interest accrued & due on Loans	573.70	1,499.41
(ix)	- Unamortised Fee on Loans	(167.57)	(180.74)
	<b>Gross Loans to Borrowers</b>	<b>7,26,471.49</b>	<b>6,73,975.71</b>
	Less: Impairment loss allowance	(29,316.60)	(27,779.60)
	<b>Net Loans to Borrowers</b>	<b>6,97,154.89</b>	<b>6,46,196.11</b>
<b>(B)</b>	<b>Security-wise classification</b>		
(i)	Secured by Tangible Assets	4,74,488.51	4,62,325.24
(ii)	Secured by Intangible Assets	-	-
(iii)	Covered by Bank/Government Guarantees	1,67,073.22	1,32,352.12
(iv)	Unsecured	84,909.75	79,298.35
	<b>Gross Security-wise classification</b>	<b>7,26,471.49</b>	<b>6,73,975.71</b>
	Less: Impairment loss allowance	(29,316.60)	(27,779.60)
	<b>Net Security-wise classification</b>	<b>6,97,154.89</b>	<b>6,46,196.11</b>
<b>(C) I</b>	<b>Loans in India</b>		
(i)	Public Sector	6,25,677.36	5,78,351.25
(ii)	Private Sector	1,00,794.13	95,624.46
	<b>Gross Loans in India</b>	<b>7,26,471.49</b>	<b>6,73,975.71</b>
	Less: Impairment loss allowance	(29,316.60)	(27,779.60)
	<b>Net Loans in India</b>	<b>6,97,154.89</b>	<b>6,46,196.11</b>
<b>(C) II</b>	<b>Loans Outside India</b>		
	Less: Impairment loss allowance	-	-
	<b>Net Loans Outside India</b>	-	-
	<b>Net Loans in India and Outside India</b>	<b>6,97,154.89</b>	<b>6,46,196.11</b>



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

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020				
		Amortised Cost (1)	Designated at Fair Value through Other Comprehensive Income (2)	At Fair Value through Profit or Loss (3)	Subtotal (4)=(2)+(3)	Total (1)+(4)
(A)	<b>Investments</b>					
(i)	<b>Debt securities</b>					
	- 10.95% perpetual bonds of Union Bank of India* [8,000 bonds of ₹ 10,00,000 each]			853.97	853.97	853.97
	- 11.15 % perpetual bonds of Indian Bank [5,000 bonds of ₹ 10,00,000 each]			528.26	528.26	528.26
	- 11.25 % perpetual bonds of Bank of Baroda [5,000 bonds of ₹ 10,00,000 each]			528.20	528.20	528.20
	- 11.25 % perpetual bonds of Syndicate Bank [5,000 bonds of ₹ 10,00,000 each]			528.51	528.51	528.51
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation(HUDCO) [86,798 bonds of ₹ 1,000 each]	9.14				9.14
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [42,855 bonds of ₹ 1,000 each]	4.44				4.44
	- 7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd. (NHAI) [35,463 bonds of ₹ 1,000 each]	3.81				3.81
	- 7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA) [61,308 bonds of ₹ 1,000 each]	6.45				6.45
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC) [22,338 bonds of ₹ 1,000 each]	2.39				2.39
	- 7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD) [14,028 bonds of ₹ 1,000 each]	1.45				1.45
	- 8.76% Tax Free 20 years Secured Redeemable Bonds of Housing and Urban Development Corporation(HUDCO) [50,000 bonds of ₹ 1,000 each]	5.32				5.32
(ii)	<b>Equity instruments :</b>					
	- PTC India Limited [1,20,00,000 equity shares of ₹ 10 each]		57.06		57.06	57.06
	- Coal India Limited [1,39,64,530 equity shares of ₹ 10 each]		161.99		161.99	161.99
	- NHPC Limited [40,97,75,446 equity shares of ₹ 10 each]		827.75		827.75	827.75
	- Power Exchange India Limited [32,20,000 equity shares of ₹ 10 each]		-		-	-
	- GMR Chhattisgarh Energy Limited		-		-	-
	- Shree Maheshwar Hydro Power Projects Limited		-		-	-
	- RattanIndia Power Limited [32,76,95,820 equity shares of ₹ 10 each]			83.56	83.56	83.56
	- Housing and Urban Development Corporation, Ltd [3,47,429 equity shares of ₹ 10 each]		1.13		1.13	1.13
	- Indian Energy Exchange Ltd. [27,45,807 equity shares of ₹ 1 each]		57.07		57.07	57.07
	- Universal Commodity Exchange Ltd. [1,60,00,000 equity shares of ₹ 10 each]				-	-
	- Suzlon Energy Limited [8,46,15,798 equity shares of ₹ 2 each]		24.54		24.54	24.54
(iii)	<b>Preference Shares</b>					
	- Raipur Energen Limited [59,82,371 Redeemable Preference Shares of ₹ 100 each]	9.80				9.80
	- Ratnagiri Gas and Power Private Limited [15,24,88,000 Cumulative Redeemable Preference Shares of ₹ 10 each]					-
	- RattanIndia Power Limited [10,16,70,764 Redeemable Preference Shares of ₹ 10 each]	87.18				87.18
	- RattanIndia Power Limited [15,32,97,013 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each]			119.84	119.84	119.84
	- Suzlon Global Services Limited [38,161 Compulsorily Convertible Preference Shares of ₹ 100,000 each]					-
(iv)	<b>Debentures</b>					
	- Essar Power Transmission Company Limited [31,86,17,853 Series 1 - Optionally Convertible Debentures of ₹ 10 each]			143.47	143.47	143.47
	- Essar Power Transmission Company Limited [13,69,00,996 Series 2 - Optionally Convertible Debentures of ₹ 10 each]			61.59	61.59	61.59
	- Essar Power Transmission Company Limited [2,55,14,666 Series 3 - Optionally Convertible Debentures of ₹ 10 each]			0.00	-	-
	- Suzlon Energy Limited [34,791 Optionally Convertible Debentures of ₹ 100,000 each]			90.34	90.34	90.34
	- Ferro Alloys Corporation Limited [2,52,91,783 Non Convertible Debentures of ₹ 100,000 each]	199.72				199.72
(iv)	<b>Others</b>					
	- Units of "Small is Beautiful" Fund [1,23,04,400 units of ₹ 10 each]		12.24		12.24	12.24
	<b>Total Investments (Other than accounted for using equity method)</b>	<b>329.70</b>	<b>1,141.78</b>	<b>2,937.74</b>	<b>4,079.52</b>	<b>4,409.22</b>
(B)	<b>Geography wise investment</b>					
(i)	Investments Outside India					
(ii)	Investments in India	329.70	1,141.78	2,937.74	4,079.52	4,409.22
	Less: Impairment/loss allowance					
	<b>Net Geography wise investment</b>	<b>329.70</b>	<b>1,141.78</b>	<b>2,937.74</b>	<b>4,079.52</b>	<b>4,409.22</b>
	Andhra Bank merged with Union Bank of India w.e.f.01.04.2020.	329.70	1,141.78	2,937.74	4,079.52	4,409.22





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



6B. Investments accounted for using equity method

Sr. No.	Particulars	₹ in crore)	
		As at 30.09.2020	As at 31.03.2020
(i)	<b>Joint Venture</b>		
	- Energy Efficiency Services Limited [46,36,00,000 equity shares of ₹ 10 each; previous year 39,20,00,000 equity shares of ₹ 10 each]	559.01	549.40
(ii)	<b>Associates</b>		
	- Ultramega Power Projects / Independent Transmission Projects [7,60,000 equity shares of ₹ 10 each; previous year 7,60,000 equity shares of ₹ 10 each]	0.50	0.50
	<b>Sub Total</b>	<b>559.51</b>	<b>549.90</b>
	Less: Impairment loss allowance	-	-
	<b>Total Investments accounted for using equity method</b>	<b>559.51</b>	<b>549.90</b>



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 30.09.2020	As at 31.03.2020
(i)	Recoverable on account of Government of India Serviced Bonds	26,829.32	26,970.02
(ii)	Advances to Associates*	158.92	154.27
(iii)	Advances to Employees	0.74	0.90
(iv)	Loans to Employees	129.61	129.58
(v)	Others	242.02	258.99
	Less: Impairment loss allowance on Others	(66.19)	(51.64)
	<b>Total Other Financial Assets</b>	<b>27,294.42</b>	<b>27,462.12</b>

\*Recoverable in cash.

8 **Current Tax Assets / Liabilities (Net)**

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Advance income tax and TDS	311.45	747.84
(ii)	Tax Deposited on income tax demands under contest	331.90	390.49
	<b>Total Current Tax Assets (Net)</b>	<b>643.35</b>	<b>1,138.33</b>
(i)	Provision for income tax net of Advance Tax	655.06	-
(i)	Provision for income tax for demand under contest	0.11	67.40
	<b>Total Current Tax Liabilities (Net)</b>	<b>655.17</b>	<b>67.40</b>





9 Investment Property\*

Particulars	Opening balance	Additions during the year	Sale/ adjustment during the year	Closing balance
HY 2019-20	0.01	-	-	0.01
HY 2020-21	0.01	-	-	0.01

\*pertains to PFC's subsidiary REC Ltd.

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

Particulars	Property, Plant and Equipment										Capital Work-in-Progress	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property			
Gross Carrying Amount	113.77	1.59	56.66	40.19	38.26	33.29	0.49	4.14	278.39	196.94	1.59	27.17	
Opening Balance as at 01.04.2019	-	-	-	6.25	8.92	6.45	0.02	-	21.64	74.89	-	4.38	
Additions / Adjustments	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	7.62	-	-	
Borrowing Cost Capitalised	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	(8.17)	-	-	
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance as at 31.03.2020	113.77	1.59	56.66	42.12	43.07	27.72	0.52	4.14	288.00	287.62	0.77	24.33	
Additions / Adjustments	-	-	-	1.60	4.88	2.25	-	-	8.73	72.43	-	0.11	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	10.54	-	-	
Deductions / Adjustments	-	-	-	2.42	6.96	0.75	-	-	10.13	0.00	-	-	
Closing Balance as at 30.09.2020	113.77	1.59	56.66	41.30	40.99	29.22	0.52	4.14	286.60	370.59	0.77	24.44	

Particulars	Property, Plant and Equipment										Non-Financial Liabilities	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property			
Gross Carrying Amount	113.77	1.59	56.66	40.19	38.26	33.29	0.49	4.14	278.39	196.94	1.59	27.17	
Opening Balance as at 01.04.2019	-	-	-	6.25	8.92	6.45	0.02	-	21.64	74.89	-	4.38	
Additions / Adjustments	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	7.62	-	-	
Borrowing Cost Capitalised	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	(8.17)	-	-	
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance as at 31.03.2020	113.77	1.59	56.66	42.12	43.07	27.72	0.52	4.14	288.00	287.62	0.77	24.33	
Additions / Adjustments	-	-	-	1.60	4.88	2.25	-	-	8.73	72.43	-	0.11	
Borrowing Cost Capitalised	-	-	-	-	-	-	-	-	-	10.54	-	-	
Deductions / Adjustments	-	-	-	2.42	6.96	0.75	-	-	10.13	0.00	-	-	
Closing Balance as at 30.09.2020	113.77	1.59	56.66	41.30	40.99	29.22	0.52	4.14	286.60	370.59	0.77	24.44	

Particulars	Property, Plant and Equipment										Non-Financial Liabilities	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property			
Gross Carrying Amount	113.77	1.59	56.66	40.19	38.26	33.29	0.49	4.14	278.39	196.94	1.59	27.17	
Opening Balance as at 01.04.2019	-	-	-	6.25	8.92	6.45	0.02	-	21.64	74.89	-	4.38	
Additions / Adjustments	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	7.62	-	-	
Borrowing Cost Capitalised	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	(8.17)	-	-	
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
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	

Particulars	Property, Plant and Equipment										Non-Financial Liabilities	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property			
Gross Carrying Amount	113.77	1.59	56.66	40.19	38.26	33.29	0.49	4.14	278.39	196.94	1.59	27.17	
Opening Balance as at 01.04.2019	-	-	-	6.25	8.92	6.45	0.02	-	21.64	74.89	-	4.38	
Additions / Adjustments	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	7.62	-	-	
Borrowing Cost Capitalised	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	(8.17)	-	-	
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
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	

Particulars	Property, Plant and Equipment										Non-Financial Liabilities	Intangible assets under development	Other Intangible assets
	Freehold Land	Leasehold Land	Buildings	EDP Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total	Immovable Property			
Gross Carrying Amount	113.77	1.59	56.66	40.19	38.26	33.29	0.49	4.14	278.39	196.94	1.59	27.17	
Opening Balance as at 01.04.2019	-	-	-	6.25	8.92	6.45	0.02	-	21.64	74.89	-	4.38	
Additions / Adjustments	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	7.62	-	-	
Borrowing Cost Capitalised	-	-	-	4.32	4.11	2.02	(0.01)	-	12.03	(8.17)	-	-	
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
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	



## 11 Right-of-use Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Opening Balance of Leasehold Land	42.07	-
(ii)	Additions	40.57	45.84
(iii)	Less: Depreciation*	1.86	3.77
	<b>Closing Balance of Leasehold Land</b>	<b>38.71</b>	<b>42.07</b>

Sr. No.	Particulars	As at 30.09.2019
(i)	Opening Balance of Leasehold Land	-
(ii)	Additions	44.55
(iii)	Less: Depreciation*	1.67
	<b>Closing Balance of Leasehold Land</b>	<b>42.88</b>

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

## 12 Other Non-Financial Assets

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Prepaid Expenses	5.96	3.40
(ii)	Deferred Employee Costs	60.87	62.13
(iii)	Capital Advances	106.83	93.75
(iv)	Other assets	128.98	104.66
	<b>Total Other Non-Financial Assets</b>	<b>302.64</b>	<b>263.94</b>



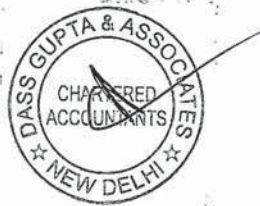


13 Assets Classified as held for sale\*

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(A)	<b>Assets classified as held for sale</b>		
(i)	Investment in associates	0.72	0.23
(ii)	Loan to associates	24.43	16.75
	<b>Total (A)</b>	<b>25.15</b>	<b>16.98</b>
(B)	<b>Liabilities directly associated with assets classified as held for sale</b>		
(i)	Payable to associates	0.12	0.68
	<b>Total (B)</b>	<b>0.12</b>	<b>0.68</b>
	<b>Disposal Group - Net assets (A-B)</b>	<b>25.03</b>	<b>16.30</b>

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



14 Trade Payables

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
	<b>Trade Payables</b>		
(i)	Total outstanding dues of Micro, Small and Medium Enterprises	0.21	0.15
(ii)	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	38.10	53.07
	<b>Total Trade Payables</b>	<b>38.31</b>	<b>53.22</b>



**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 30.09.2020	As at 31.03.2020
(i)	Bonds / Debenture		
	- Infrastructure Bonds	295.09	295.09
	- Tax Free Bonds	24,878.08	24,878.08
	- 54 EC Capital Gain Tax Exemption Bonds	22,786.65	23,894.68
	- Taxable Bonds	3,43,043.74	3,26,415.29
	- Foreign Currency Notes	53,134.42	50,508.56
(ii)	Commercial Paper	3,019.92	2,925.00
(iii)	Interest accrued but not due on above	14,989.00	13,687.09
(iv)	Unamortised Transaction Cost on above	(1,076.61)	(1,238.08)
(v)	Bond Application Money	245.72	400.19
	<b>Total Debt Securities</b>	<b>4,61,316.01</b>	<b>4,41,765.90</b>
	<b>Geography wise Debt Securities</b>		
(i)	Debt Securities in India	4,08,521.74	3,91,726.07
(ii)	Debt Securities outside India	52,794.27	50,039.83
	<b>Total Geography wise Debt Securities</b>	<b>4,61,316.01</b>	<b>4,41,765.90</b>



**16 Borrowings (other than Debt Securities)**

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

		(₹ in crore)	
Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(A)	Term Loans		
(i)	From Banks and Financial Institutions		
	- Foreign Currency Loans	6,495.94	8,924.03
	- Syndicated Foreign Currency Loans	39,814.66	39,619.89
	- Rupee Term Loans	86,874.74	69,498.76
(ii)	From other Parties		
	- Rupee Term Loans - GoI	17,500.00	17,500.00
(B)	Other Loans		
(i)	Loan against Term Deposits	224.74	-
(ii)	Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit	9,036.01	4,793.22
(iii)	Finance Lease Obligation	0.22	2.12
(C)	Interest accrued but not due on above	867.58	767.95
(D)	Unamortised Transaction Cost on above	(356.72)	(439.25)
	<b>Total Borrowings (other than Debt Securities)</b>	<b>1,60,457.17</b>	<b>1,40,666.72</b>
(II)	Geography wise Borrowings		
(i)	Borrowings in India	1,19,041.41	99,419.41
(ii)	Borrowings outside India	41,415.76	41,247.31
	<b>Total Geography wise Borrowings</b>	<b>1,60,457.17</b>	<b>1,40,666.72</b>



**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 30.09.2020	As at 31.03.2020
	<b>Subordinated Liabilities</b>		
(i)	Subordinated Bonds	15,862.20	13,862.70
(ii)	Interest accrued but not due on above	679.25	273.61
(iii)	Unamortised Transaction Cost on above	(6.81)	(5.71)
	<b>Total Subordinated Liabilities</b>	<b>16,534.64</b>	<b>14,130.60</b>
	<b>Geography wise Subordinated Liabilities</b>		
(i)	Subordinated Bonds in India	16,534.64	14,130.60
(ii)	Subordinated Bonds outside India	-	-
	<b>Total Geography wise Subordinated Liabilities</b>	<b>16,534.64</b>	<b>14,130.60</b>



**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 30.09.2020	As at 31.03.2020
(i)	Payable on account of Government of India Serviced Bonds	26,829.32	26,831.04
(ii)	Advance received from Associates*	176.27	168.42
(iii)	Unclaimed Dividends	8.55	8.23
(iv)	Unpaid - Bonds and Interest Accrued thereon		
	- Unclaimed Bonds	60.75	39.66
	- Unclaimed Interest on Bonds	34.83	33.13
(v)	Others		
	- Application Money Refundable on Bonds and interest accrued thereon	0.91	0.83
	- Interest Subsidy Fund and other GOI Funds for disbursement as subsidy / Grants	1,116.08	1,796.94
	- Payable towards funded staff benefits	-	0.38
	- Lease Liability	10.79	11.85
	- Other liabilities	274.15	286.56
	<b>Total Other Financial Liabilities</b>	<b>28,511.65</b>	<b>29,177.04</b>

\*Payable in cash





19 Provisions

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	For Employee Benefits		
	- Gratuity	1.39	2.76
	- Leave Encashment	80.41	73.20
	- Economic Rehabilitation of Employees	8.02	7.14
	- Provision for Bonus / Incentive	70.09	84.00
	- Provision for Staff Welfare Expenses	17.12	18.37
(ii)	Impairment Loss Allowance - Letter of Comfort	187.64	188.85
	<b>Total Provisions</b>	<b>364.67</b>	<b>374.32</b>



20 Other Non-Financial Liabilities

(₹ in crore)

Sr. No.	Particulars	As at 30.09.2020	As at 31.03.2020
(i)	Unamortised Fee - Undisbursed Loans Assets	187.10	151.91
(ii)	Sundry Liabilities (Interest Capitalisation)	38.99	6.57
(iii)	Statutory dues payable	36.58	31.23
(iv)	Advance received from Govt. towards Govt. Schemes	8.80	4.14
	<b>Total Other Non-Financial Liabilities</b>	<b>271.47</b>	<b>193.85</b>

21 Equity Share Capital

Sr. No.	Particulars	As at 30.09.2020		As at 31.03.2020	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
(A)	<b>Authorised Capital</b>				
	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)	2,00,00,00,00,000	200.00	2,00,00,00,00,000	200.00
(B)	<b>Issued, Subscribed and Fully Paid-up Capital</b>				
	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)	<b>Reconciliation of Equity Share Capital</b>				
	Opening Equity Share Capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08
	Changes during the period	-	-	-	-
	Closing Equity Share capital	2,64,00,81,408	2,640.08	2,64,00,81,408	2,640.08





22 Other Equity\*

Sr. No.	Particulars	₹ in crore)	
		As at 30.09.2020	As at 31.03.2020
(i)	Capital Reserve - Common Control	(13,461.00)	(13,461.00)
(ii)	Capital Reserve - Change in shareholding in JV	2.47	2.47
(iii)	Securities Premium	3,953.74	3,953.74
(iv)	Foreign Currency Monetary Item Translation Difference Account	(1,363.41)	(2,346.18)
(v)	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	4,847.77	3,666.61
(vi)	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	3,936.41	4,089.44
(vii)	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85
(viii)	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	29,555.99	27,616.89
(ix)	Interest Differential Reserve - KFW Loan	61.95	61.40
(x)	General Reserve	15,577.55	14,655.76
(xi)	Impairment Reserve	417.55	417.55
(xii)	Retained Earnings	10,215.75	8,080.18
(xiii)	Reserve for Equity Instruments through Other Comprehensive Income	(341.86)	(257.72)
(xiv)	Reserve for Effective portion of gains and loss on hedging instruments in a Cash Flow Hedge through other Comprehensive Income	(269.04)	(211.65)
(xv)	Costs of Hedging Reserve	(5.15)	(107.77)
(xvi)	Share of Other Comprehensive Income in Joint Venture and Associates	0.15	0.15
	<b>Total Other Equity</b>	<b>53,728.71</b>	<b>46,759.72</b>

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



23 Non-Controlling Interest

(₹ in crore)

Sr. No.	Particulars	As at	
		30.09.2020	31.03.2020
	<b>Balance at the beginning of the period</b>	<b>16,765.57</b>	<b>16,363.02</b>
(i)	Share of Net Profit for the period	1,914.71	2,355.12
(ii)	Re-measurement of Defined Benefit Plans	(1.13)	(1.02)
(iii)	Share of Other Comprehensive Income / (Expense)	129.97	(261.31)
	<b>Share of Total Comprehensive Income</b>	<b>2,043.55</b>	<b>2,092.79</b>
(i)	Dividend paid to Non-Controlling Interest	-	(1,028.97)
(ii)	Dividend Distribution tax paid for Non-Controlling Interest	-	(211.28)
(iii)	Others	417.60	(450.00)
	<b>Balance at the end of the period</b>	<b>19,226.72</b>	<b>16,765.57</b>



## 24 Interest Income

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Interest on Loans	34,672.59	29,860.48
	Less : Rebate for Timely Payment to Borrowers	(107.27)	(196.75)
(ii)	Interest on Deposits with Banks	153.04	87.10
(iii)	Other Interest Income	23.45	26.06
<b>B</b>	<b>On Financial Assets classified at Fair Value Through Profit or Loss</b>		
(i)	Interest on Investment	147.20	128.00
(ii)	Other Income	1.52	-
	<b>Total Interest Income (A+B)</b>	<b>34,890.53</b>	<b>29,904.89</b>



25 Fees and Commission Income

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

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Prepayment Premium on Loans	4.90	46.08
(ii)	Fee based Income on Loans	39.02	32.43
(iii)	Fee for implementation of Gov Schemes	32.48	15.90
	<b>Total Fees and Commission Income</b>	<b>76.40</b>	<b>94.41</b>

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

(₹ in crores)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	On financial instruments at Fair value through Profit or Loss:		
	- Change in Fair Value of Derivatives	239.38	(192.35)
	- Change in Fair Value of Investments	(10.13)	-
	- Change in Fair Value of Short Term Investment of Surplus Funds in Mutual	(17.58)	-
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>211.67</b>	<b>(192.35)</b>
	Fair value changes:		
(i)	- Realised	100.38	46.54
(ii)	- Unrealised	111.29	(238.89)
	<b>Total Net Gain (-) / Loss (+) on Fair Value Changes</b>	<b>211.67</b>	<b>(192.35)</b>

27 Other Operating Income

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Sale of Services	93.12	107.76
(ii)	Other	-	0.01
	<b>Total Other Operating Income</b>	<b>93.12</b>	<b>107.77</b>

28 Other Income

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Excess Liabilities written back	0.05	0.60
(ii)	Miscellaneous Income	31.26	18.50
	<b>Total Other Income</b>	<b>31.31</b>	<b>19.10</b>



29 Finance Costs

(₹ in crore)

Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
	<b>On Financial Liabilities Measured At Amortised Cost</b>		
(i)	<b>Interest on Borrowings</b>		
	- Term Loans and others	4,005.31	3,796.29
	- Interest on Lease Liability	0.67	0.41
(ii)	<b>Interest on Debt Securities</b>		
	- Bonds / Debentures	16,814.58	14,954.56
	- Commercial Paper	104.18	653.42
(iii)	<b>Interest on Subordinated Liabilities</b>	622.92	623.80
(iv)	<b>Other Interest Expense</b>		
	- Interest on Interest Subsidy Fund	0.71	0.69
	- Interest on advances received from Subsidiaries	1.55	2.86
	- Other	1.75	0.38
	Less: Finance Cost Capitalised	(10.54)	(7.62)
(v)	- Swap Premium ( Net )	568.11	65.03
	<b>Total Finance Costs</b>	<b>22,109.24</b>	<b>20,089.82</b>





30 Fees and Commission Expense

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Agency Fees	1.40	1.10
(ii)	Guarantee, Listing and Trusteeship fees	1.98	5.87
(iii)	Credit Rating Fees	7.62	5.01
(iv)	Other Finance Charges	3.84	2.94
	<b>Total Fees and Commission Expense</b>	<b>14.84</b>	<b>14.92</b>

31 Impairment on Financial Instruments

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
<b>A</b>	<b>On Financial Assets measured at Amortised Cost</b>		
(i)	Loans	1,776.31	72.06
(ii)	Investment (acquired on settlement of loans)	57.63	51.19
(iii)	Write Offs - Loans	448.23	761.69
(iv)	Other Financial Instruments	15.13	14.62
(v)	Letter of Comfort	6.57	(6.37)
	<b>Total Impairment on Financial Instruments</b>	<b>2,303.87</b>	<b>893.19</b>

32 Employee Benefit Expenses

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Salaries and Wages	132.04	150.92
(ii)	Contribution to Provident and other Funds	19.70	19.29
(iii)	Staff Welfare Expenses	25.71	44.39
(iv)	Rent for Residential Accommodation of Employees	3.88	3.05
	<b>Total Employee Benefit Expenses</b>	<b>181.33</b>	<b>217.65</b>

33 Other Expenses

(₹ in crore)			
Sr. No.	Particulars	Half Year ended 30.09.2020	Half Year ended 30.09.2019
(i)	Rent, Taxes and Energy Cost	10.50	16.22
(ii)	Repairs and Maintenance	8.59	9.59
(iii)	Communication Costs	1.25	1.55
(iv)	Printing and Stationery	0.78	2.05
(v)	Advertisement and Publicity	7.07	6.95
(vi)	Directors Fees, Allowance & Expenses	0.13	0.20
(vii)	Auditor's fees and expenses	0.73	0.46
(viii)	Legal & Professional charges	10.04	13.15
(ix)	Insurance	0.17	0.10
(x)	Travelling and Conveyance	8.32	14.74
(xi)	Net Loss / (Gain) on derecognition of Property, Plant and Equipment	3.13	0.81
(xii)	Other Expenditure	39.39	42.66
	<b>Total Other Expenses</b>	<b>90.10</b>	<b>108.48</b>



## Group's Significant Accounting Policies

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

### 1.1 Basis of Preparation and Measurement

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

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

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

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

### 1.2 Basis of Consolidation

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

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

#### i) Subsidiaries:

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

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

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





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

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

#### ii) Joint Venture and Associates:

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

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

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

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

### 1.3 Cash and Cash Equivalents

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

### 1.4 Derivative financial instruments

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

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

#### Cash flow hedge





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

#### Fair value hedge

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

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

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

### **1.5 Financial instruments**

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

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

#### **1.5.1 Financial assets**

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

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

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

###### **a) Financial assets at Amortised Cost:**

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

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



#### Effective Interest Rate (EIR) method

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

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

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

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

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

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

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

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

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

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

#### Business Model

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

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

#### ii) Classification and measurement of Equity Instruments

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

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Consolidated Other Comprehensive Income (OCI) and accumulated in Consolidated Reserve. There is no recycling of





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

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

iii) Impairment of financial assets

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

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

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

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

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

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

- c) The impairment losses and reversals are recognised in Consolidated Statement of Profit and Loss.
- d) Financial assets are written off by RECL either partially or in their entirety only when it has stopped pursuing the recovery.

iv) De-recognition of financial assets

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

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

**1.5.2 Financial liabilities**



- i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii) Financial guarantee

A financial guarantee issued by the Group is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Consolidated Statement of Profit and Loss.

iii) De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Consolidated Statement of Profit and Loss.

**1.5.3 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**1.6 Investment property**

Investment properties are the assets which have undetermined future use. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group beyond one year. All other repair and maintenance costs are recognized in the Consolidated Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation and useful lives)

The Group only has land as an investment property, which is not depreciated.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Consolidated Statement of Profit and Loss in the period in which the property is derecognized.





## 1.7 Property, Plant and Equipment (PPE) and Depreciation

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- ii. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.
- iii. In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.
- iv. Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Consolidated Statement of Profit and Loss as incurred.
- v. Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.

- vi. Depreciation is recognised so as to write-off the cost of assets less their residual values<sup>#</sup> 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 <sup>(1)</sup>	2 years
Lease hold improvement <sup>(2)</sup>	Lease period or their useful lives whichever is shorter (in case of PFCCCL)

<sup>#</sup> Residual value is estimated as 5% of the original cost of PPE.

\* Depreciation is provided using Straight line method by RECL

<sup>(1)</sup> Useful life has been taken as 2 years by the Group

<sup>(2)</sup> Lease hold improvements are amortised on straight line basis

- vii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
- viii. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.
- ix. Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.
- x. The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'





## 1.8 Intangible assets and Amortisation

- i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.
- ii. Expenditure incurred which are eligible for capitalisation under intangible assets is carried as Intangible Assets under Development till they are ready for their intended use.
- iii. Estimated useful life of intangible assets with finite useful lives has been estimated by the Group as 5 years. In case of PFCCL, life is estimated as 36 months.
- iv. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.
- v. Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

## 1.9 Assets/ Disposal Groups held for sale

Assets are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, 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 an entity, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

## 1.10 Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- iii. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- v. Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.





### 1.11 Recognition of Income and Expenditure

- i. Interest income on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.
- ii. Unless otherwise specified, the recoveries from the borrowers of RECL are appropriated in the order of (i) costs and expenses of RECL (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recovery under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings is appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.
- iii. Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract and is disclosed separately under Interest Income.
- iv. Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is presented against the corresponding interest income.
- v. The Group uses the principles laid down by Ind AS 115 to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:
  - a. Identify the contract(s) with customer;
  - b. Identify separate performance obligations in the contract;
  - c. Determine the transaction price;
  - d. Allocate the transaction price to the performance obligations; and
  - e. Recognise revenue when a performance obligation is satisfied.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

In Fixed Price Contracts – Revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

- vi. Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized on completed contract method basis i.e. when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as



direct costs are recovered through billing manpower charges at agreed charge out rates decided by the management.

- vii. The sale proceeds from Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- viii. Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- ix. Dividend income from investments is recognized in Consolidated Statement of Profit and Loss when the Group's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- x. Dividend on financial assets subsequently measured at fair value through profit and loss is recognised separately under the head 'Dividend Income'.
- xi. Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- xii. Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- xiii. A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

#### 1.12 Expenditure on issue of shares

Expenditure on issue of shares is charged to the securities premium account.

#### 1.13 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Consolidated Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

#### 1.14 Employee benefits

##### i. Defined Contribution Plan

Group's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Consolidated Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

##### ii. Defined Benefit Plan

The Group's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Consolidated Statement of Profit and Loss in the period of a plan amendment.





iii. Other long term employee benefits

The Group's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognized in the Consolidated Statement of Profit and Loss.

iv. Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Consolidated Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

v. Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the loan. In case of change in expected remaining period of the loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

**1.15 Income Taxes**

Income Tax expense comprises of current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

i. Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences: A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

iii. Additional Income Tax that arises from distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.



## 1.16 Leasing

For recognition, measurement and presentation of lease contracts, the Group applies the principles of Ind AS 116 'Leases'.

### The Group as a lessee

The Group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (a) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Group has the right to direct the use of the identified asset.

The Group at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Consolidated Statement of Profit & Loss. Lease payments are classified as Cash flow used in financing activities.

### The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Group in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of lease at the reporting date.





### 1.17 Foreign Currency Transactions and Translations

The functional currency of the Group is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the consolidated financial statements before 1 April 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item.

### 1.18 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the Consolidated Financial Statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### 1.19 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

### 1.20 Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the respective company in the Group.

### 1.21 Earnings per share

Basic earnings per equity share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

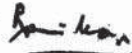


To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.





**Summarised Notes to Unaudited Consolidated Interim Financial 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 12.11.2020. The same have been subjected to limited review 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	Consolidated financial results for the quarter and half year ended 30.09.2020 include audited consolidated result of one subsidiary and management approved results of one subsidiary; one joint venture entity and fifteen associates. Financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 - 'Consolidated Financial Statements', Ind AS 111 - 'Joint Arrangements' and Ind AS 28- 'Investments in Associates and Joint Ventures'.			
4	Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company and its subsidiary REC Ltd., as per Ind AS 109 is as under.			
		(₹ in crore)		
	<b>S. No.</b>	<b>Particulars</b>	<b>As on 30.09.2020</b>	<b>As on 31.03.2020</b>
	a)	Credit Impaired loans	44,747.40	49,127.25
	b)	Impairment Loss Allowance Maintained	26,035.35	25,300.59
	c)	Impairment Loss Allowance Coverage (%) (b/a)	58.18%	51.50%
5	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.			
6	The outbreak of COVID-19 has caused significant disturbance in the financial markets across the globe. The situation has been under close watch by the Group to take prompt actions for smooth operation of business. The impact of COVID-19 on the business operations of the Group is given at <b>Annexure -'A'</b> .			
7	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.			
8	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.			
<p style="text-align: right;"> <b>R.S. Dhillon</b> Chairman &amp; Managing Director DIN - 00278074</p> <p>PLACE: NEW DELHI DATE: 12.11.2020</p>				





**Impact of COVID 19 on the Group**

The outbreak of COVID-19 has caused significant disturbances in financial structures across the globe. In India, a nationwide lockdown was declared by Central Government in March, 2020. However, with the gradual unlocking across the country, the economic activities are gradually resuming. The Group continues to leverage its technological capabilities to carry its operations remotely as well.

Power consumption clocked double digit YoY growth of 12.10 % in October, buoyed by recovery in commercial and industrial activity as compared to a growth of 4.60 % in September, 2020. To mitigate the burden of debt servicing brought about by the disruptions of the business activities, the company and its subsidiary REC Ltd in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated 27.03.2020, 17.04.2020 and 23.05.2020, has offered moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. In pursuance of the moratorium policy, an amount of ₹ 34,159 crore falling due from 01.03.2020 to 31.08.2020 has been granted moratorium.

The Government of India, as a part of its Covid-19 package announcement, has also announced liquidity injection to the State Discoms in the form of State Government guaranteed loans through the Company and its subsidiary viz. REC Ltd. The Company and its subsidiary REC Ltd, upto 31.10.2020, has sanctioned an amount of ₹ 1,18,273 crore respectively under this scheme of liquidity package to eligible Discoms.

The Group has not experienced any significant impact on its liquidity position due to the access to diversified sources of borrowings. The Group continues to be well geared to meet its funding needs. It holds sufficient liquidity as well as adequate undrawn lines of credits from various banks. Considering high credit worthiness and well-established relationship of the Group with lenders, it can continue to mobilise sufficient funds from domestic & international markets.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in assessing its ability to continue as a going concern. However, the impact of this pandemic on the Group will, inter alia, continue to be dependent on future developments relating to duration & severity of Covid-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector and on the NBFCs. The Group shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its business.

