

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

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

**Independent Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015**

To

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

We have audited the accompanying Standalone Financial Results of Power Finance Corporation Limited (the 'Company') for the year ended March 31, 2019 (the 'Financial Results'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015. These Financial Results, which are the responsibility of the Company's management and approved by the Board of Directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 and regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015; and
- (ii) give a true and fair view of the net profit and other financial information for the year to date results for the period from April 1, 2018 to March 31, 2019





The Financial Results include the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us in terms of our report of even date.

**FOR M.K. AGGARWAL & CO.**

*Chartered Accountants*

Firm's Registration No.: 01411N

*by the hand of*

**CA M.K. AGGARWAL**

*Partner*

Membership No.014956

**FOR GANDHI MINOCHA & CO.**

*Chartered Accountants*

Firm's Registration No.: 000458N

*by the hand of*


**CA BHUPINDER SINGH**

*Partner*

Membership No.092867

**Date: 29.05.2019**

**Place: Mumbai**

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

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

**Independent Auditor's Report on Year to Date Consolidated Financial Results of the Company Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015**

To  
Board of Directors of Power Finance Corporation Limited

We have audited the accompanying Consolidated Financial Results of Power Finance Corporation Limited (the 'Company') for the year ended March 31, 2019 (the 'Financial Results'), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015. These Consolidated Financial Results, which are the responsibility of the Company's management and approved by the Board of Directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We did not audit the financial statements of three subsidiaries, one joint venture entity and fifteen associates included in the year to date consolidated financial results, whose financial statements reflect total assets of ₹ 3,07,126.55 crore as at March 31, 2019 and total revenue of ₹ 27,424.38 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose report(s) have been furnished to us, except in case of one of the subsidiary and joint venture entity having total assets of ₹ 6,994.55 crore as at March 31, 2019 and total revenue of ₹ 1,993.05 crore for the year ended on that date whose financial statement has been certified by management and our opinion on the year to date consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors and certification of management in the case of one of the subsidiary and joint venture.

In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial year to date results:

- i. include the year to date financial results of the following entities:



**Subsidiaries:**

- REC Limited (formerly 'Rural Electrification Corporation Limited')
- PFC Consulting Limited
- Power Equity Capital Advisors Private Limited

**Joint Venture Entity:**

- Energy Efficiency Services Limited

**Associates:**

- Coastal Maharashtra Mega Power Limited
- Orissa Integrated Power Limited
- Coastal Karnataka Power Limited
- Coastal Tamil Nadu Power Limited
- Chhattisgarh Surguja Power Limited
- Deoghar Infra Limited
- Bihar Infrapower Limited
- Sakhigopal Integrated Power Company Limited
- Ghogarpalli Integrated Power Company Limited
- Tatiya Andhra Mega Power Limited
- Deoghar Mega Power Limited
- Cheyyur Infra Limited
- Odisha Infrapower Limited
- Bihar Mega Power Limited
- Jharkhand Infrapower Limited



- ii. have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015; and
- iii. give a true and fair view of the consolidated net profit and other financial information for the consolidated year to date results for the period from April 1, 2018 to March 31, 2019.

**FOR M.K. AGGARWAL & CO.**

*Chartered Accountants*

Firm's Registration No.: 01411N

*by the hand of*

**CA M.K. AGGARWAL**

*Partner*

Membership No.014956

**FOR GANDHI MINOCHA & CO.**

*Chartered Accountants*

Firm's Registration No.: 000458N

*by the hand of*


**CA BHUPINDER SINGH**

*Partner*

Membership No.092867

**Date: 29.05.2019**

**Place: Mumbai**

**Part I : Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended 31.03.2019**

(₹ in crore)

| Sr. No. | Particulars  | Standalone              |                            |                         |                         | Consolidated            |                         |
|---------|--|-------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|         |  | Quarter Ended           |                            | Year Ended              |                         | Year Ended              |                         |
|         |  | 31.03.2019<br>(Audited) | 31.12.2018<br>(Un-Audited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) | 31.03.2018<br>(Audited) |
|         | <b>Revenue from Operations</b>   |                         |                            |                         |                         |                         |                         |
| (i)     | Interest Income  | 7,636.40                | 7,254.53                   | 6,085.78                | 28,440.97               | 25,562.03               | 53,435.70               |
| (ii)    | Dividend Income  | 42.17                   | 101.85                     | 108.16                  | 167.03                  | 146.23                  | 76.63                   |
| (iii)   | Fees and Commission Income   | 22.55                   | 24.37                      | 47.48                   | 149.02                  | 267.59                  | 374.11                  |
| (iv)    | Net Gain on Fair Value Changes   | -                       | -                          | 13.05                   | 84.98                   | -                       | -                       |
| (iv)    | Other Operating Income   | -                       | -                          | -                       | -                       | -                       | 227.50                  |
|         | <b>I. Total Revenue from Operations</b>  | <b>7,701.12</b>         | <b>7,380.75</b>            | <b>6,254.47</b>         | <b>28,842.00</b>        | <b>25,975.85</b>        | <b>54,113.94</b>        |
|         | <b>II. Other Income</b>  | <b>1.52</b>             | <b>1.10</b>                | <b>0.49</b>             | <b>9.29</b>             | <b>4.40</b>             | <b>42.89</b>            |
|         | <b>III. Total Income (I+II)</b>  | <b>7,702.64</b>         | <b>7,381.85</b>            | <b>6,254.96</b>         | <b>28,851.29</b>        | <b>25,980.25</b>        | <b>54,156.83</b>        |
|         | <b>Expenses</b>  |                         |                            |                         |                         |                         |                         |
| (i)     | Finance Costs  | 4,979.93                | 4,790.07                   | 4,268.55                | 18,981.76               | 16,955.89               | 34,620.96               |
| (ii)    | Net Translation / Transaction Exchange Loss (+) / Gain (-)   | (98.57)                 | (347.21)                   | 176.69                  | 520.23                  | 213.10                  | 1,041.42                |
| (iii)   | Fees and Commission Expense  | 3.90                    | 1.92                       | 2.80                    | 10.09                   | 8.58                    | 44.47                   |
| (iv)    | Net Loss on Fair Value changes   | 283.46                  | 361.22                     | -                       | -                       | 193.19                  | 263.54                  |
| (v)     | Impairment on Financial Instruments  | (509.66)                | (289.82)                   | 571.17                  | (871.48)                | 2,391.01                | (625.73)                |
| (vi)    | Cost of services rendered  | -                       | -                          | -                       | -                       | -                       | 85.15                   |
| (vii)   | Cost of material consumed  | -                       | -                          | -                       | -                       | -                       | -                       |
|         | Changes in inventories of finished goods and work-in-progress  | -                       | -                          | -                       | -                       | -                       | -                       |
| (ix)    | Employee Benefit Expenses  | 37.80                   | 47.26                      | 57.67                   | 173.57                  | 176.64                  | 362.66                  |
| (x)     | Depreciation and Amortisation  | 1.93                    | 1.66                       | 1.96                    | 6.14                    | 6.41                    | 15.49                   |
| (xi)    | Corporate Social Responsibility Expenses   | 44.30                   | 23.93                      | 93.37                   | 100.50                  | 118.88                  | 206.32                  |
| (xii)   | Other Expenses   | 43.55                   | 20.00                      | 14.27                   | 114.69                  | 71.44                   | 324.77                  |
|         | <b>IV. Total Expenses</b>  | <b>4,786.64</b>         | <b>4,609.03</b>            | <b>5,186.48</b>         | <b>19,035.50</b>        | <b>20,135.14</b>        | <b>36,339.05</b>        |
|         | <b>V. Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>  | <b>2,916.00</b>         | <b>2,772.82</b>            | <b>1,068.48</b>         | <b>9,815.79</b>         | <b>5,845.11</b>         | <b>17,817.78</b>        |
|         | <b>VI. Exceptional Items</b>   | -                       | -                          | -                       | -                       | -                       | 44.25                   |
|         | <b>VII. Share of Profit / (Loss) in Joint Venture and Associates</b>   | -                       | -                          | -                       | -                       | -                       | 21.35                   |
|         | <b>VIII. Profit/(Loss) Before Tax (V-VI+VII)</b>   | <b>2,916.00</b>         | <b>2,772.82</b>            | <b>1,068.48</b>         | <b>9,815.79</b>         | <b>5,845.11</b>         | <b>17,862.03</b>        |
|         | <b>Tax Expense:</b>  |                         |                            |                         |                         |                         |                         |
|         | (1) Current Tax  | 720.30                  | 830.60                     | 379.06                  | 2,346.50                | 2,434.68                | 4,182.75                |
|         | Current Year   | 1.22                    | -                          | (1.07)                  | 1.22                    | (1.07)                  | (12.75)                 |
|         | Earlier Years  | 76.92                   | (142.15)                   | (105.86)                | 515.15                  | (975.27)                | 1,051.76                |
|         | (2) Deferred Tax   | 798.44                  | 688.45                     | 272.13                  | 2,862.87                | 1,458.34                | 5,221.76                |
|         | <b>IX. Total Tax Expense</b>   | <b>798.44</b>           | <b>688.45</b>              | <b>272.13</b>           | <b>2,862.87</b>         | <b>1,458.34</b>         | <b>5,221.76</b>         |
|         | <b>X. Profit/(Loss) from Continuing Operations (VIII-IX)</b>   | <b>2,117.56</b>         | <b>2,084.37</b>            | <b>796.35</b>           | <b>6,952.92</b>         | <b>4,386.77</b>         | <b>12,640.27</b>        |
|         | <b>XI. Profit/(Loss) From Discontinued Operations (After Tax)</b>  | -                       | -                          | -                       | -                       | -                       | -                       |
|         | <b>XII. Profit/(Loss) (for continuing and discontinued operations)</b>                                       | <b>2,117.56</b>         | <b>2,084.37</b>            | <b>796.35</b>           | <b>6,952.92</b>         | <b>4,386.77</b>         | <b>12,640.27</b>        |
|         | <b>XIII. Other Comprehensive Income</b>  |                         |                            |                         |                         |                         |                         |
| (i)     | Items that will not be reclassified to Profit or Loss  | (7.95)                  | 1.43                       | 1.43                    | (3.63)                  | 5.72                    | (23.00)                 |
|         | - Re-measurement of Defined Benefit Plans  | (57.79)                 | 84.89                      | (331.77)                | (154.88)                | (331.24)                | (202.25)                |
|         | - Net Gain / (Loss) on Fair Value of Equity Instruments  | -                       | -                          | -                       | -                       | -                       | (0.13)                  |
|         | - Share of other Comprehensive Income / (Loss) in Joint Venture accounted using equity method                | -                       | -                          | -                       | -                       | -                       | (0.05)                  |
| (ii)    | Income Tax relating to items that will not be reclassified to Profit or Loss                                 | 0.37                    | 0.44                       | 0.46                    | 1.69                    | 1.78                    | 8.46                    |
|         | - Re-measurement of Defined Benefit Plans  | -                       | -                          | -                       | -                       | -                       | (0.68)                  |
|         | - Net Gain / (Loss) on Fair Value of Equity Instruments  | -                       | -                          | -                       | -                       | -                       | (0.10)                  |
| (iii)   | Items that will be reclassified to Profit or Loss  | (45.07)                 | (30.08)                    | -                       | (77.08)                 | -                       | (77.08)                 |
|         | - Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge                            | -                       | -                          | -                       | -                       | -                       | -                       |
|         | - Share of other Comprehensive Income in Joint Venture accounted using equity method                         | -                       | -                          | -                       | -                       | -                       | 2.92                    |
| (iv)    | Income Tax relating to items that will be reclassified to Profit or Loss                                     | 15.74                   | 11.19                      | -                       | 26.93                   | -                       | 26.93                   |
|         | <b>Other Comprehensive Income (A+B)</b>  | <b>(94.70)</b>          | <b>67.87</b>               | <b>(329.88)</b>         | <b>(206.97)</b>         | <b>(323.74)</b>         | <b>(267.75)</b>         |
|         | <b>XIV. Total Comprehensive Income (XII+XIII)</b>  | <b>2,022.86</b>         | <b>2,152.24</b>            | <b>466.47</b>           | <b>6,745.95</b>         | <b>4,063.03</b>         | <b>12,372.52</b>        |
|         | <b>Profit for the year attributable to:</b>  |                         |                            |                         |                         |                         |                         |
|         | - Owners of the Company  | -                       | -                          | -                       | -                       | -                       | 9,920.86                |
|         | - Non-Controlling Interest   | -                       | -                          | -                       | -                       | -                       | 2,719.41                |
|         | <b>Other Comprehensive Income for the Year</b>   |                         |                            |                         |                         |                         |                         |
|         | - Owners of the Company  | -                       | -                          | -                       | -                       | -                       | (239.05)                |
|         | - Non-Controlling Interest   | -                       | -                          | -                       | -                       | -                       | (28.70)                 |
|         | <b>Total other comprehensive income for the year</b>   |                         |                            |                         |                         |                         |                         |
|         | - Owners of the Company  | -                       | -                          | -                       | -                       | -                       | 9,681.81                |
|         | - Non-Controlling Interest   | -                       | -                          | -                       | -                       | -                       | 2,690.71                |
|         | <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. Earnings Per Equity Share (Face Value ₹ 10/- each) (for continuing and discontinued operations)*:</b> |                         |                            |                         |                         |                         |                         |
|         | (1) Basic EPS (₹)  | 8.02                    | 7.90                       | 3.02                    | 26.34                   | 16.62                   | 37.58                   |
|         | (2) Diluted EPS (₹)  | 8.02                    | 7.90                       | 3.02                    | 26.34                   | 16.62                   | 37.58                   |

\* EPS for the quarters are non-annualised.



Part - II : Statement of Assets and Liabilities

(₹ in crore)

| Sr. No.  | Particulars   | Standalone          |                     |                     | Consolidated        |                     |                     |
|----------|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|          |   | As at<br>31.03.2019 | As at<br>31.03.2018 | As at<br>01.04.2017 | As at<br>31.03.2019 | As at<br>31.03.2018 | As at<br>01.04.2017 |
|          |   | (Audited)           | (Audited)           | (Audited)           | (Audited)           | (Audited)           | (Audited)           |
|          | <b>ASSETS</b>   |                     |                     |                     |                     |                     |                     |
| <b>1</b> | <b>Financial Assets</b>   |                     |                     |                     |                     |                     |                     |
| (a)      | Cash and Cash Equivalents   | 308.48              | 537.71              | 42.87               | 725.03              | 825.04              | 4,544.99            |
| (b)      | Bank Balance other than included in Cash and Cash Equivalents                           | 13,846.53           | 15.49               | 3,530.29            | 15,606.41           | 2,024.27            | 3,684.05            |
| (c)      | Derivative Financial Instruments  | 567.98              | 229.09              | 299.87              | 2,370.56            | 919.47              | 927.94              |
| (d)      | Trade Receivables   | -                   | -                   | -                   | 172.13              | 145.77              | 135.71              |
| (e)      | Loans   | 3,03,210.36         | 2,66,011.38         | 2,35,088.75         | 5,73,661.28         | 4,94,889.63         | 4,29,023.27         |
| (f)      | Investments   | 16,586.20           | 2,520.04            | 3,870.38            | 4,603.77            | 5,492.51            | 6,903.19            |
| (g)      | Other Financial Assets  | 5,376.40            | 5,276.91            | 5,249.43            | 23,761.47           | 9,662.57            | 5,466.63            |
|          | <b>Total Financial Assets (1)</b>   | <b>3,39,895.95</b>  | <b>2,74,590.62</b>  | <b>2,48,081.59</b>  | <b>6,20,900.65</b>  | <b>5,13,959.26</b>  | <b>4,50,685.78</b>  |
| <b>2</b> | <b>Non- Financial Assets</b>  |                     |                     |                     |                     |                     |                     |
| (a)      | Inventories   | -                   | -                   | -                   | -                   | -                   | 0.04                |
| (b)      | Current Tax Assets (Net)  | 628.59              | 508.12              | 346.24              | 925.90              | 542.31              | 397.43              |
| (c)      | Deferred Tax Assets (Net)   | 4,060.73            | 4,547.26            | 3,570.22            | 6,369.74            | 7,393.55            | 5,707.82            |
| (d)      | Investment Property   | -                   | -                   | -                   | 0.01                | 0.01                | 0.01                |
| (e)      | Property, Plant and Equipment   | 27.74               | 26.08               | 24.01               | 186.45              | 155.24              | 151.57              |
| (f)      | Capital Work-in-Progress  | -                   | -                   | -                   | 196.94              | 127.23              | 61.41               |
| (g)      | Intangible Assets under development   | -                   | -                   | -                   | 1.59                | 1.46                | 1.46                |
| (h)      | Other Intangible Assets   | 0.59                | 0.89                | 0.69                | 9.18                | 6.19                | 1.38                |
| (i)      | Other Non-Financial Assets  | 242.09              | 235.48              | 1,010.53            | 393.50              | 338.55              | 1,087.14            |
|          | <b>Total Non- Financial Assets (2)</b>  | <b>4,959.74</b>     | <b>5,317.83</b>     | <b>4,951.69</b>     | <b>8,083.31</b>     | <b>8,564.54</b>     | <b>7,408.26</b>     |
| <b>3</b> | <b>Assets Classified as held for sale</b>   |                     |                     |                     |                     |                     |                     |
|          |   | -                   | -                   | -                   | 9.56                | 7.68                | 3.08                |
|          | <b>Total Assets (1+2+3)</b>   | <b>3,44,855.69</b>  | <b>2,79,908.45</b>  | <b>2,53,033.28</b>  | <b>6,28,993.52</b>  | <b>5,22,531.48</b>  | <b>4,58,097.12</b>  |
|          | <b>LIABILITIES AND EQUITY</b>   |                     |                     |                     |                     |                     |                     |
| <b>1</b> | <b>Financial Liabilities</b>  |                     |                     |                     |                     |                     |                     |
| (a)      | Derivative Financial Instruments  | 505.59              | 240.68              | 68.41               | 664.99              | 558.43              | 422.87              |
| (b)      | Trade Payables  | -                   | -                   | -                   | 2.65                | 1.83                | 0.30                |
|          | (I) Total outstanding dues of Micro, Small and Medium Enterprises                       | -                   | -                   | -                   | 72.26               | 64.87               | 45.89               |
|          | (II) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | -                   | -                   | -                   | -                   | -                   | -                   |
| (c)      | Debt Securities   | 2,05,584.49         | 2,06,811.79         | 1,94,444.34         | 3,98,352.00         | 3,85,879.65         | 3,43,095.30         |
| (d)      | Borrowings (other than Debt Securities)   | 80,344.53           | 26,080.17           | 11,591.76           | 1,27,007.07         | 48,711.59           | 33,291.93           |
| (e)      | Subordinated Liabilities  | 9,309.70            | 3,892.76            | 3,892.64            | 14,128.46           | 6,560.12            | 6,559.85            |
| (f)      | Other Financial Liabilities   | 5,327.84            | 5,393.19            | 7,258.52            | 24,574.28           | 24,607.41           | 22,046.00           |
|          | <b>Total Financial Liabilities (1)</b>  | <b>3,01,072.15</b>  | <b>2,42,418.59</b>  | <b>2,17,255.67</b>  | <b>5,64,801.71</b>  | <b>4,66,383.90</b>  | <b>4,05,462.14</b>  |
| <b>2</b> | <b>Non- Financial Liabilities</b>   |                     |                     |                     |                     |                     |                     |
| (a)      | Current Tax Liabilities (Net)   | 130.70              | 129.97              | 130.43              | 130.70              | 130.48              | 130.98              |
| (b)      | Provisions  | 264.00              | 291.17              | 63.66               | 366.81              | 517.28              | 279.77              |
| (c)      | Other Non-Financial Liabilities   | 100.85              | 112.57              | 158.44              | 209.95              | 230.07              | 208.73              |
|          | <b>Total Non- Financial Liabilities (2)</b>   | <b>495.55</b>       | <b>533.71</b>       | <b>352.53</b>       | <b>707.46</b>       | <b>877.83</b>       | <b>619.48</b>       |
| <b>3</b> | <b>Liabilities directly associated with assests classified as held for sale</b>         |                     |                     |                     |                     |                     |                     |
|          |   | -                   | -                   | -                   | 0.08                | -                   | -                   |
|          | <b>Total Liabilities (1+2+3)</b>  | <b>3,01,567.70</b>  | <b>2,42,952.30</b>  | <b>2,17,608.20</b>  | <b>5,65,509.25</b>  | <b>4,67,261.73</b>  | <b>4,06,081.62</b>  |
| <b>4</b> | <b>Equity</b>   |                     |                     |                     |                     |                     |                     |
| (a)      | Equity Share Capital  | 2,640.08            | 2,640.08            | 2,640.08            | 2,640.08            | 2,640.08            | 2,640.08            |
| (b)      | Other Equity  | 40,647.91           | 34,316.07           | 32,785.00           | 44,481.17           | 37,194.45           | 34,782.49           |
|          | <b>Equity attributable to owners of the Company (a+b)</b>                               | <b>43,287.99</b>    | <b>36,956.15</b>    | <b>35,425.08</b>    | <b>47,121.25</b>    | <b>39,834.53</b>    | <b>37,422.57</b>    |
| (c)      | Non-Controlling interest  | -                   | -                   | -                   | 16,363.02           | 15,435.22           | 14,592.93           |
|          | <b>Total Equity (4)</b>   | <b>43,287.99</b>    | <b>36,956.15</b>    | <b>35,425.08</b>    | <b>63,484.27</b>    | <b>55,269.75</b>    | <b>52,015.50</b>    |
|          | <b>Total Liabilities and Equity (1+2+3+4)</b>   | <b>3,44,855.69</b>  | <b>2,79,908.45</b>  | <b>2,53,033.28</b>  | <b>6,28,993.52</b>  | <b>5,22,531.48</b>  | <b>4,58,097.12</b>  |

See accompanying notes to the Financial Results:



## Notes:

1 The Company adopted Ind AS from 01.04.2018 and the effective date of transition was 01.04.2017. Accordingly, the above financial results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules thereunder and directions issued by the RBI (collectively referred to as "Previous GAAP"). The impact of transition has been accounted for in the opening reserves as at 01.04.2017. Results for the corresponding period prepared under Previous GAAP have been duly restated to Ind AS.

The results have been prepared based on the notified Schedule III for Non-Banking Financial Companies issued by the Ministry of Corporate Affairs on 11.10.2018.

2 These financial results have been reviewed & recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 29.05.2019. The same have been audited by the Joint Statutory Auditors M.K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants.

3 The net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under :

| Particulars  | (₹ in Crore)                        |                                  |                                    |
|--|-------------------------------------|----------------------------------|------------------------------------|
|  | Standalone Quarter ended 31.03.2018 | Standalone Year ended 31.03.2018 | Consolidated Year ended 31.03.2018 |
| Profit after tax as reported under Previous GAAP   | 935.60                              | 5,855.22                         | 5,844.11                           |
| Adjustment due to business combination   | 7.23                                | 30.95                            | 4,689.46                           |
| <b>Adjustments related to:</b>   |                                     |                                  |                                    |
| Effective Interest Rate (EIR) / Income on loan assets classified at Amortised Cost                   | (48.12)                             | (470.45)                         | (432.75)                           |
| Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost                             | (47.22)                             | (73.39)                          | (157.55)                           |
| Derivatives (Forward contracts earlier governed through AS 11)                                       | 3.09                                | (64.27)                          | (123.33)                           |
| Impairment Loss Allowance  | (262.94)                            | (1,824.94)                       | (2,703.45)                         |
| Impact of Equity method accounting of joint venture (JV) entity                                      | -                                   | -                                | 2.94                               |
| Others   | (32.35)                             | (92.02)                          | (90.32)                            |
| Deferred Tax Impact (DTA / DTL) on above   | 18.23                               | 280.69                           | 315.17                             |
| DTA on amount of accumulated Impairment loss allowance in excess of Reserve for Bad & Doubtful Debts | 222.83                              | 744.98                           | 1,452.41                           |
| <b>Total of adjustments</b>  | <b>(139.25)</b>                     | <b>(1,468.45)</b>                | <b>2,952.58</b>                    |
| <b>Net profit after tax as per Ind AS</b>  | <b>796.35</b>                       | <b>4,386.77</b>                  | <b>8,796.69</b>                    |
| Other comprehensive income, net of tax   | (329.88)                            | (323.74)                         | (316.09)                           |
| <b>Total comprehensive income (net of tax) as per Ind AS</b>   | <b>466.47</b>                       | <b>4,063.03</b>                  | <b>8,480.60</b>                    |

Reconciliation of total equity reported under previous GAAP and Ind AS is as under:

| Particulars  | Standalone as at  |                   | Consolidated as at |                  |
|--|-------------------|-------------------|--------------------|------------------|
|  | 31.03.2018        | 01.04.2017        | 31.03.2018         | 01.04.2017       |
| Total equity (shareholder's funds) as reported under Previous GAAP                                   | 39,860.67         | 36,470.21         | 40,201.74          | 36,844.91        |
| Adjustment due to business combination   | 114.73            | 83.76             | 34,832.80          | 32,631.06        |
| <b>Adjustments related to:</b>   |                   |                   |                    |                  |
| Effective Interest Rate (EIR) / Income on loans classified at Amortised Cost                         | (85.77)           | 384.68            | (157.09)           | 275.66           |
| Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost                             | 125.72            | 199.12            | 373.79             | 531.35           |
| Derivatives (Forward contracts earlier governed through AS 11)                                       | 236.77            | 366.90            | 58.56              | 438.40           |
| Impairment Loss Allowance  | (8,393.91)        | (6,568.97)        | (14,835.42)        | (12,102.55)      |
| Equity instruments measured at fair value through Other Comprehensive Income                         | (105.47)          | 225.77            | 134.24             | 427.59           |
| Impact of Equity method accounting of JV entity  | -                 | -                 | 0.86               | (11.50)          |
| Capital Reserve on acquisition of Subsidiary   | -                 | -                 | (13,461.00)        | (13,461.00)      |
| Others   | 355.25            | 442.92            | 367.41             | 444.46           |
| Deferred Tax Impact (DTA / DTL) on above   | 4.25              | (278.24)          | (69.66)            | (373.99)         |
| DTA on amount of accumulated Impairment Loss Allowance in excess of Reserve for Bad & Doubtful Debts | 4,843.91          | 4,098.93          | 7,823.52           | 6,371.11         |
| <b>Total of adjustments</b>  | <b>(2,904.52)</b> | <b>(1,045.13)</b> | <b>15,068.01</b>   | <b>15,170.59</b> |
| <b>Total equity (shareholder's funds) as reported under Ind AS</b>                                   | <b>36,956.15</b>  | <b>35,425.08</b>  | <b>55,269.75</b>   | <b>52,015.50</b> |



| 4   | Company was creating impairment loss allowance, till quarter ended 31.12.2018, on Stage I and II loan assets at higher of Expected Credit Loss (ECL) as per Ind AS or as per RBI prudential norms. Now, the Company has aligned the impairment loss allowance on loan assets solely as per the requirement of Ind AS resulting in reduction of cumulative impairment loss allowance for the quarter and year ended 31.03.2019 and consequent increase in profit after tax by ₹ 268.61 crore.  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
|---|---|---------------------|---------------------|---------------------|---------------------|-----------------------|------|------|------|---|---|---|---|---|----------|----------|----------|-----------------------------|-----------|-----------|-----------|
| 5   | As a matter of prudence, income on credit impaired loans is recognised when expected realisation is higher than the loan amount outstanding.  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 6   | During this quarter, the Company has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value ₹ 10/- per share) in REC Limited at ₹ 139.5036 per share for a total cash consideration of ₹ 14,500 crore paid on 28.03.2019. Hence, Power Finance Corporation Ltd. has become holding company of REC Limited.  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 7   | <p>Pursuant to the order of Ministry of Corporate Affairs dated 07.02.2019 approving amalgamation; PFC Green Energy Limited (PFCGEL), a wholly owned subsidiary, has been amalgamated with the Company w.e.f. 01.04.2017 (appointed date as per order of amalgamation). Accordingly, the financial results for the previous periods have been adjusted to give effect of this amalgamation.</p> <p>Further, pursuant to the order of Ministry of Corporate Affairs dated 30.01.2019 approving amalgamation; PFC Capital Advisory Services Ltd. has been amalgamated with PFC Consulting Ltd. (wholly owned subsidiaries of the Company) w.e.f. 01.04.2018 (appointed date as per order of amalgamation).</p> <p>Ministry of Power (MoP), Gol vide its letter dated 19.03.2019 approved the dissolution/ striking off the name of Power Equity Capital Advisors (Private) Ltd., a wholly owned subsidiary of the Company, from the records of Registrar of Companies. Necessary steps are being taken to give effect to the same.</p>  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 8   | During the current quarter, Government of India (Gol) has transferred 1,21,96,071 and 5,21,46,026 equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF and CPSE ETF respectively. Accordingly, shareholding of Gol in the paid up equity capital of the Company has come down from 61.48% as on 31.12.2018 to 59.05% as on 31.03.2019.  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 9   | <p>Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>As at<br/>31.03.2019</th> <th>As at<br/>31.03.2018</th> <th>As at<br/>01.04.2017</th> </tr> </thead> <tbody> <tr> <td>(i) Debt Equity Ratio</td> <td>6.66</td> <td>6.21</td> <td>5.72</td> </tr> <tr> <td>(ii) Outstanding Redeemable Preference Shares</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iii) Debenture Redemption Reserve (₹ in crore)</td> <td>2,014.25</td> <td>1,726.82</td> <td>1,434.17</td> </tr> <tr> <td>(iv) Net Worth (₹ in crore)</td> <td>43,287.99</td> <td>36,956.15</td> <td>35,425.08</td> </tr> </tbody> </table> <p>(v) Ratings assigned by domestic rating agencies, for Company's long term domestic borrowing programme (including bank loans) continue to be the highest rating of CRISIL AAA, ICRA AAA and CARE AAA assigned by 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.</p> <p>The Company's international credit ratings continue to be Baa3, BBB- and BBB- assigned by International Credit Rating Agencies Moody's, Fitch and Standard and Poor respectively.</p> <p>(vi) The Company has been raising funds through various instruments including series of non-convertible bonds issue from time to time. During the year ended 31.03.2019, the Company has not defaulted in servicing of its non-convertible bonds. As regards non-convertible Rupee denominated bonds, the previous due date for payment of principal and interest was 02.03.2019 and 30.03.2019 respectively.</p> | Particulars         | As at<br>31.03.2019 | As at<br>31.03.2018 | As at<br>01.04.2017 | (i) Debt Equity Ratio | 6.66 | 6.21 | 5.72 | (ii) Outstanding Redeemable Preference Shares | - | - | - | (iii) Debenture Redemption Reserve (₹ in crore) | 2,014.25 | 1,726.82 | 1,434.17 | (iv) Net Worth (₹ in crore) | 43,287.99 | 36,956.15 | 35,425.08 |
| Particulars                                     | As at<br>31.03.2019   | As at<br>31.03.2018 | As at<br>01.04.2017 |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| (i) Debt Equity Ratio                           | 6.66  | 6.21                | 5.72                |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| (ii) Outstanding Redeemable Preference Shares   | -   | -                   | -                   |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| (iii) Debenture Redemption Reserve (₹ in crore) | 2,014.25  | 1,726.82            | 1,434.17            |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| (iv) Net Worth (₹ in crore)                     | 43,287.99   | 36,956.15           | 35,425.08           |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 10  | For all the secured bonds issued by the Company and outstanding as at 31.03.2019, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.   |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 11  | The Company is a 'Large Corporate' as per criteria under SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018. Necessary disclosure has been made to the stock exchanges, where securities of the Company are listed, in this regard.   |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |
| 12  | Consolidated financial results for the year ended 31.03.2019 of the Company include the financial year to date audited results of two subsidiaries & fifteen associates and un-audited results of one subsidiary and one joint venture entity.  |                     |                     |                     |                     |                       |      |      |      |   |   |   |   |   |          |          |          |                             |           |           |           |





|    |  |
|----|--|
| 13 | 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 segments as per Ind AS 108. |
| 14 | The disclosure in respect of related party transactions on a consolidated basis for the year ended 31.03.2019 has been given at Annexure - 'A'.  |
| 15 | Figures for the quarters ended 31.03.2019 and 31.03.2018 are the balancing figures between audited figures for the years ended 31.03.2019 & 31.03.2018 and unaudited figures for the nine months ended 31.12.2018 & 31.12.2017 respectively.                               |
| 16 | Figures for the previous periods have been regrouped wherever necessary, in order to make them comparable.   |

PLACE: MUMBAI  
DATE: 29.05.2019



  
**RAJEEV SHARMA**  
 Chairman & Managing Director  
 DIN - 00973413

Transactions with the related parties during the year ended 31.03.2019 on consolidated basis

(₹ in crore)

| Particulars                                     | During FY 2018-19 |
|---|-------------------|
| <b>Joint Venture</b>                            |                   |
| Equity investment in EESL                       | 99.00             |
| Dividend received from EESL                     | 4.01              |
| Others  | 0.24              |
| <b>Associates</b>                               |                   |
| Advances to associates                          | 3.71              |
| Interest income on advances to associates       | 26.68             |
| Advances received from Associates               | 30.62             |
| Interest expenses on advances from associates   | 6.14              |
| Others  | 10.31             |
| <b>Trusts / Funds/ Foundations of the Group</b> |                   |
| Contributions made during the year              | 107.61            |
| Subscription of bonds of the Group              | 30.50             |
| Finance Cost – Interest paid                    | 0.27              |
| CSR Expenses                                    | 98.83             |
| <b>Key managerial personnel</b>                 |                   |
| Short term employee benefits                    | 7.74              |
| Post-employment benefits                        | 0.67              |
| Other long term benefits                        | 0.24              |
| Repayment/ Recovery of loans and advances       | (0.09)            |
| Directors' Sitting Fees                         | 0.36              |
| Others  | 0.02              |

