

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110 052

Dass Gupta & Associates
Chartered Accountants,
B-4, Gulmohar Park,
New Delhi – 110 049

Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Power Finance Corporation Limited Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015

To
The Board of Directors of
Power Finance Corporation Limited

Opinion

We have audited the accompanying standalone quarterly and year to date financial results of Power Finance Corporation Limited ("the Company") for the quarter and year ended 31st March, 2020 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND AS) and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and



the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note No. 13 of the financial results 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 involvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of the matter.

Management's Responsibilities for the Standalone Financial Results

The statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the statement that give a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of



assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on complete set of financial statements on whether the company has adequate internal finance control with reference to financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

1. This statement includes the result for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year-to-date figures upto the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.
2. The Company has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied on the expected credit loss calculation as provided by the said independent expert agency.
3. The standalone financial statements of the Company for the quarter and year ended 31st March, 2019 were audited by the then joint auditors of the Company one of whom is the predecessor audit firms, and have expressed an unmodified opinion vide their reports dated 29th May, 2019 on such financial statements.

Our opinion 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: 20098606AAAABT9906



For **DASS GUPTA & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 000112N


CA Ashok Kumar Jain

Partner

Membership No. 090563

UDIN: 20090563AAAA03554



Dated: 24th June, 2020

Place: New Delhi

Power Finance Corporation Limited
Urjanidhi, I, Barakhamba Lane, Connaught Place, New Delhi
Statement of Standalone Financial Results for the Quarter and Year Ended 31.03.2020

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
	Revenue from Operations					
(i)	Interest Income	8,285.26	8,144.03	7,628.62	31,950.42	28,432.68
(ii)	Dividend Income	1,262.87	25.41	42.17	1,289.52	167.03
(iii)	Fees and Commission Income	4.25	41.22	22.55	122.96	149.02
I.	Total Revenue from Operations	9,552.38	8,210.66	7,693.34	33,362.90	28,748.73
II.	Other Income	0.20	0.96	9.31	8.16	17.58
III.	Total Income (I+II)	9,552.58	8,211.62	7,702.65	33,371.06	28,766.31
	Expenses					
(i)	Finance Costs	5,550.32	5,497.92	4,985.77	21,853.19	18,987.60
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	1,752.03	343.78	(98.55)	2,633.42	520.25
(iii)	Fees and Commission Expense	4.10	2.58	3.90	10.76	10.09
(iv)	Net Loss / (Gain) on Fair Value changes	(436.50)	(55.17)	283.46	(699.05)	(84.98)
(v)	Impairment on Financial Instruments	432.70	(53.35)	(509.66)	991.22	(871.48)
(vi)	Employee Benefit Expenses	37.97	46.75	37.80	193.82	173.57
(vii)	Depreciation and Amortisation	2.90	2.46	1.94	9.10	6.14
(viii)	Corporate Social Responsibility Expenses	52.55	8.32	44.30	97.15	100.50
(ix)	Other Expenses	28.70	22.88	37.69	88.91	108.83
IV.	Total Expenses	7,424.77	5,816.17	4,786.65	25,178.52	18,950.52
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	2,127.81	2,395.45	2,916.00	8,192.54	9,815.79
VI.	Exceptional Items	-	-	-	-	-
VII.	Profit/(Loss) Before Tax (V-VI)	2,127.81	2,395.45	2,916.00	8,192.54	9,815.79
	Tax Expense:					
	(1) Current Tax					
	- Current Year	275.89	461.57	720.30	1,406.73	2,346.50
	- Earlier Years	17.75	-	1.22	17.75	1.22
	(2) Deferred Tax [#]	399.17	253.76	76.92	1,112.92	515.15
VIII.	Total Tax Expense	692.81	715.33	798.44	2,537.40	2,862.87
IX.	Profit/(Loss) for the period from Continuing Operations (VII-VIII)	1,435.00	1,680.12	2,117.56	5,655.14	6,952.92
X.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-
XI.	Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	1,435.00	1,680.12	2,117.56	5,655.14	6,952.92
XII.	Other Comprehensive Income					
(A)	(i) Items that will not be reclassified to Profit or Loss					
	- Re-measurement of Defined Benefit Plans	(2.37)	(3.17)	(7.95)	(5.09)	(3.63)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(212.46)	56.49	(57.79)	(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	0.14	0.26	0.37	0.08	1.69
	Sub-Total (A)	(214.69)	53.58	(65.37)	(292.12)	(156.82)
(B)	(i) Items that will be reclassified to Profit or Loss					
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(66.94)	33.15	(45.07)	(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	16.85	(8.35)	15.74	4.23	26.93
	Sub-Total (B)	(50.09)	24.80	(29.33)	(42.51)	(50.15)
	Other Comprehensive Income (A+B)	(264.78)	78.38	(94.70)	(334.63)	(206.97)
XIII.	Total Comprehensive Income for the period (XI+XII)	1,170.22	1,758.50	2,022.86	5,320.51	6,745.95
XIV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08
XV.	Other Equity (As per Audited Balance Sheet as at 31st March)	NA	NA	NA	42,524.05	40,647.91
XVI.	Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each):					
	(1) For continuing operations (in ₹)	5.44	6.36	8.02	21.42	26.34
	(2) For discontinued operations (in ₹)	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	5.44	6.36	8.02	21.42	26.34

[#]Includes reversal of Deferred Tax Asset (DTA) ₹ 1,127.53 crore in FY 2019-20, out of DTA as on 31.03.2019 on account of reduction in corporate tax rate as per Taxation Laws (Amendment) Ordinance, 2019

* EPS for the quarters is not annualised

See accompanying Notes to the Standalone Financial Results.



Notes to the Standalone Financial Results:

I. Standalone Statement of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at	As at
		31.03.2020	31.03.2019
		(Audited)	(Audited)
	ASSETS		
1	Financial Assets		
(a)	Cash and Cash Equivalents	182.52	310.09
(b)	Bank Balance other than included in Cash and Cash Equivalents	16.47	13,890.52
(c)	Derivative Financial Instruments	1,863.42	567.98
(d)	Loans	3,34,112.60	3,03,210.36
(e)	Investments	16,473.32	16,586.20
(f)	Other Financial Assets	5,339.12	5,330.96
	Total Financial Assets (1)	3,57,987.45	3,39,896.11
2	Non- Financial Assets		
(a)	Current Tax Assets (Net)	651.31	498.42
(b)	Deferred Tax Assets (Net)	2,952.12	4,060.73
(c)	Property, Plant and Equipment	31.35	27.74
(d)	Intangible Assets	0.41	0.59
(e)	Right-of-use Assets	35.75	-
(f)	Other Non-Financial Assets	128.87	242.09
	Total Non- Financial Assets (2)	3,799.81	4,829.57
	Total Assets (1+2)	3,61,787.26	3,44,725.68
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Derivative Financial Instruments	599.82	505.59
(b)	Debt Securities	2,21,847.67	2,05,584.49
(c)	Borrowings (other than Debt Securities)	79,116.06	80,344.69
(d)	Subordinated Liabilities	9,310.95	9,309.70
(e)	Other Financial Liabilities	5,375.16	5,327.84
	Total Financial Liabilities (1)	3,16,249.66	3,01,072.31
2	Non- Financial Liabilities		
(a)	Current Tax Liabilities (Net)	0.11	0.53
(b)	Provisions	264.29	264.00
(c)	Other Non-Financial Liabilities	109.07	100.85
	Total Non- Financial Liabilities (2)	373.47	365.38
	Total Liabilities (1+2)	3,16,623.13	3,01,437.69
3	Equity		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	42,524.05	40,647.91
	Total Equity (3)	45,164.13	43,287.99
	Total Liabilities and Equity (1+2+3)	3,61,787.26	3,44,725.68



2. Standalone Statement of Cash Flows for the Year ended 31.03.2020

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2020		Year ended 31.03.2019	
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	8,192.54		9,815.79	
	Adjustments for:				
	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		-	
	Operating profit before Working Capital Changes:	10,057.16		8,838.71	
	Increase / Decrease :				
	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)	
	Cash Flow from Operations Before Tax	(8,500.19)		(42,036.27)	
	Income Tax paid	(1,584.39)		(2,544.76)	
	Income Tax Refund	59.03		81.34	
	Net Cash flow from Operating Activities		(10,025.55)		(44,499.69)
II.	Cash Flow From Investing Activities :				
	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	
	Net Cash Used in Investing Activities		1,555.92		(13,819.57)
III.	Cash Flow From Financing Activities :				
	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)		-	
	Net Cash in-flow from Financing Activities		8,342.06		58,091.65
	Net Increase / Decrease in Cash and Cash Equivalents		(127.57)		(227.62)
	Add: Cash and Cash Equivalents at beginning of the financial year		310.09		537.71
	Cash and Cash Equivalents at the end of the Year		182.52		310.09
	Details of Cash and Cash Equivalents at the end of the Year:				
	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		-		-
	Total Cash and Cash Equivalents at the end of the Year		182.52		310.09



3	These 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 24.06.2020. The same have been audited 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 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 Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.																
5	<p>Detail of credit impaired loans and impairment loss allowance thereon (including on Commitments) maintained by the Company as per Ind AS 109 is as under.</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1" data-bbox="236 577 1490 752"> <thead> <tr> <th>S. No.</th> <th>Particulars</th> <th>As on 31.03.2020</th> <th>As on 31.03.2019</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td>Credit Impaired loans</td> <td>27,871.70</td> <td>29,540.31</td> </tr> <tr> <td>b)</td> <td>Impairment Loss Allowance Maintained</td> <td>14,748.46</td> <td>15,201.64*</td> </tr> <tr> <td>c)</td> <td>Impairment Loss Allowance Coverage (%) (b/a)</td> <td>52.92%</td> <td>51.46%</td> </tr> </tbody> </table> <p>* regrouped to include impairment on commitments</p>	S. No.	Particulars	As on 31.03.2020	As on 31.03.2019	a)	Credit Impaired loans	27,871.70	29,540.31	b)	Impairment Loss Allowance Maintained	14,748.46	15,201.64*	c)	Impairment Loss Allowance Coverage (%) (b/a)	52.92%	51.46%
S. No.	Particulars	As on 31.03.2020	As on 31.03.2019														
a)	Credit Impaired loans	27,871.70	29,540.31														
b)	Impairment Loss Allowance Maintained	14,748.46	15,201.64*														
c)	Impairment Loss Allowance Coverage (%) (b/a)	52.92%	51.46%														
6	As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realisation is higher than the loan amount outstanding.																
7	The Company 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. This has resulted in recognition of 'Right to Use Asset' of ₹ 36.20 crore and 'Lease Liability' of ₹ 8.81 crore. The impact of the same on profit for the quarter and year ended 31.03.2020 is not material.																
8	During FY 2019-20, 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. Accordingly, the Company have recognised the provision for income tax and re-measured the deferred tax asset/ liability based on the rate prescribed under Section 115BAA.																
9	For all secured bonds issued by the Company and outstanding as at 31.03.2020, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on receivables of the Company.																
10	<p>Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015 as amended:</p> <table border="1" data-bbox="236 1487 1490 1693"> <thead> <tr> <th>Particulars</th> <th>As on 31.03.2020</th> <th>As on 31.03.2019</th> </tr> </thead> <tbody> <tr> <td>(i) Debt Equity Ratio</td> <td>6.72</td> <td>6.66</td> </tr> <tr> <td>(ii) Outstanding Redeemable Preference Shares</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iii) Debenture Redemption Reserve (₹ in crore)</td> <td>*</td> <td>2,014.25</td> </tr> <tr> <td>(iv) Net Worth (₹ in crore)</td> <td>45,164.13</td> <td>43,287.99</td> </tr> </tbody> </table> <p>*The Company is not required to create Debenture Redemption Reserve (DRR) in terms of Companies (Share Capital and Debentures) Rules, 2014 read with Companies (Share Capital and Debentures) Amendments Rules, 2019. Pursuant to such amendment, entire balance of DRR existing in the books of accounts of the Company has been transferred to General Reserve during the FY 2019-20.</p> <p>(v) During the FY 2019-20, 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, BBB- and BBB- assigned by International Credit Rating Agencies Moody's, Fitch and Standard and Poor's respectively.</p>	Particulars	As on 31.03.2020	As on 31.03.2019	(i) Debt Equity Ratio	6.72	6.66	(ii) Outstanding Redeemable Preference Shares	-	-	(iii) Debenture Redemption Reserve (₹ in crore)	*	2,014.25	(iv) Net Worth (₹ in crore)	45,164.13	43,287.99	
Particulars	As on 31.03.2020	As on 31.03.2019															
(i) Debt Equity Ratio	6.72	6.66															
(ii) Outstanding Redeemable Preference Shares	-	-															
(iii) Debenture Redemption Reserve (₹ in crore)	*	2,014.25															
(iv) Net Worth (₹ in crore)	45,164.13	43,287.99															



	(vi) The Company has been raising funds through various instruments including series of non-convertible bond issues. During the year ended 31.03.2020, the Company has not defaulted in servicing of its borrowings. As regards non-convertible rupee denominated bonds, the previous due date for payment of principal and interest was 30.03.2020 and 31.03.2020 respectively. Further, the immediate next due dates for payment of principal and interest on listed non-convertible rupee denominated bonds falling in the FY 2020-21 was 15.04.2020 and 03.04.2020 respectively, which have already been serviced on the said due dates.
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	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Company's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.
13	The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the financial markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the Company to take prompt actions for continuity of business operations in an optimised manner. The Company believes that impact of this outbreak will not be significant on its business and financial position. Details are annexed at Annexure-'A' .
14	Figures for the quarters ended 31.03.2020 and 31.03.2019 are the balancing figures between audited figures for the years ended 31.03.2020 & 31.03.2019 and unaudited figures for the nine months ended 31.12.2019 & 31.12.2018 respectively.
15	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.

PLACE: NEW DELHI
DATE: 24.06.2020


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



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, 2020 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 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.



Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110 052

Dass Gupta & Associates
Chartered Accountants,
B-4, Gulmohar Park,
New Delhi – 110 049

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of Power Finance Corporation Limited Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015

To
The Board of Directors of
Power Finance Corporation Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying consolidated quarterly and year to date financial results of Power Finance Corporation Limited ("Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity for the quarter and year ended 31st March, 2020 ("statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statement/ financial results/financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- i. include the annual financial results of the following entities:

Subsidiaries:

- REC Limited (formerly 'Rural Electrification Corporation Limited')
- PFC Consulting Limited
- Power Equity Capital Advisors Private Limited (under process of striking off with MCA)

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
- Deochar Infra Limited
- Bihar Infrapower Limited
- Sakhigopal Integrated Power Company Limited
- Ghogarpalli Integrated Power Company Limited
- Tatiya Andhra Mega Power Limited



- Deochar Mega Power Limited
 - Cheyyur Infra Limited
 - Odisha Infrapower Limited
 - Bihar Mega Power Limited
 - Jharkhand Infrapower Limited
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter and year ended 31st March,2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

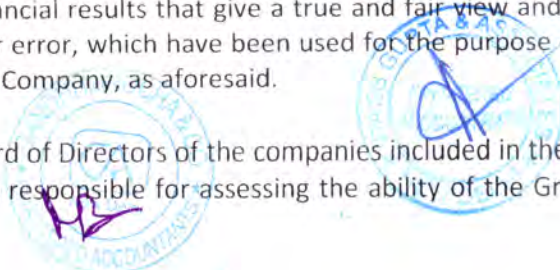
We draw attention to Note No. 12 of the financial results regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of the matter.

Management's Responsibilities for the Consolidated Financial Results

The statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors of the Holding Company are responsible for the preparation and presentation of the statement that give a true and fair view of the net profit, other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the applicable Indian accounting standards (IND AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its



associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective company's management and Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the statement of which we are the independent auditors. For the other entities included in the statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

1. The consolidated financial results include the audited Financial Results/statements and other financial information in respect of one subsidiary, whose Financial Results reflect Group's share of total assets of ₹ 3,47,030.08 crore as at 31st March 2020, Group's share of total revenue of ₹ 7,903.56 crore and ₹ 30,007.05 crore and Group's share of total net profit after tax of ₹ 473.99 crore and ₹ 4,972.27 crore for the quarter and year ended 31st March, 2020 respectively, as considered in the consolidated Financial Results, which have been audited by their independent auditors. The statement also includes the audited Financial Results / Statements and other financial information in respect of two associates, whose Financial Results reflect Group's share of net profit of Nil for the year ended 31st March, 2020, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Results of these entities have been furnished to us and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
2. The statement also include the unaudited Financial Results/statements and other unaudited financial information in respect of two subsidiaries, whose Financial Results reflect Group's share of total assets of ₹ 92.07 crore as at 31.03.2020, Group's share of total revenue of ₹ 16.96 crore and ₹ 118.07 crore and Group's share of total net profit after tax of ₹ 1.25 crore and ₹ 58.15 crore for the quarter and year ended 31st March, 2020 respectively, as considered in the statement. The statements also include the unaudited financial Results / Statements and other financial information in respect of one Joint Venture Entity and thirteen associates, whose Financial Results reflect Group's share of net profit of ₹ 3.45 crore and ₹ 21.43 crore for the quarter and year ended 31st March, 2020, as considered in the statements. These unaudited Financial Results/statements and other financial information have been approved and furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities is based solely on such unaudited Financial Results/statements and other financial information. In our opinion and according to the information and explanations given to us by the Board of directors, these Financial Results/statements and other financial information are not material to the Group.
3. The Group has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agencies appointed by the Holding Company and its Subsidiaries. Since the calculation parameters require certain technical and professional expertise, we have relied on the expected credit loss calculation as provided by the said independent expert agency.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors referred to in para 1 above and the Financial Results/Financial Information certified by the Management referred to in para 2 and expert agency in para 3 above.




The Financial Results include the results for the quarter ended 31.03.2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the listing regulations.

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N


CA Manoj Bhardwaj

Partner

Membership No. 098606

UDIN: 20098606 AAAABU7530

Dated: 24th June, 2020

Place: New Delhi



FOR DASS GUPTA & ASSOCIATES.

Chartered Accountants

Firm's Registration No.: 000112N


CA Ashok Kumar Jain

Partner

Membership No. 090563

UDIN: 20090563 AAAAAP7517



Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi
Statement of Consolidated Financial Results for the Quarter and Year Ended 31.03.2020

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
	Revenue from Operations					
(i)	Interest Income	16,044.21	15,679.25	14,182.81	61,628.35	53,427.41
(ii)	Dividend Income	68.21	20.94	48.14	105.65	76.63
(iii)	Fees and Commission Income	14.24	53.26	25.35	161.91	374.11
(iv)	Other Operating Income	66.07	119.69	107.04	293.53	227.50
I.	Total Revenue from Operations	16,192.73	15,873.14	14,363.34	62,189.44	54,105.65
II.	Other Income	61.92	4.90	24.58	85.92	51.18
III.	Total Income (I+II)	16,254.65	15,878.04	14,387.92	62,275.36	54,156.83
	Expenses					
(i)	Finance Costs	10,490.62	10,264.20	9,146.29	40,844.65	34,626.80
(ii)	Net Translation / Transaction Exchange Loss / (Gain)	3,084.78	696.80	(160.23)	4,991.32	1,041.44
(iii)	Fees and Commission Expense	14.59	6.69	16.21	36.20	44.47
(iv)	Net Loss / (Gain) on Fair Value changes	(318.53)	(162.32)	1,045.49	(673.20)	263.54
(v)	Impairment on Financial Instruments	989.38	28.26	(485.91)	1,910.83	(625.73)
(vi)	Cost of Services Rendered	31.39	22.37	33.06	85.18	85.15
(vii)	Employee Benefit Expenses	87.59	94.48	92.93	399.72	362.66
(viii)	Depreciation and Amortisation	7.59	6.12	4.51	24.43	15.49
(ix)	Corporate Social Responsibility Expenses	228.97	39.53	65.21	356.44	206.32
(x)	Other Expenses	65.83	54.24	80.59	228.55	318.91
IV.	Total Expenses	14,682.21	11,050.37	9,838.15	48,204.12	36,339.05
V.	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	1,572.44	4,827.67	4,549.77	14,071.24	17,817.78
VI.	Exceptional Items	-	-	-	-	-
VII.	Share of Profit / (Loss) in Joint Venture and Associates	3.45	6.56	30.97	21.43	44.25
VIII.	Profit/(Loss) Before Tax (V-VI)+VII.	1,575.89	4,834.23	4,580.74	14,092.67	17,862.03
	Tax Expense:					
	(1) Current Tax:					
	- Current Year	569.75	933.18	1,089.23	3,004.98	4,182.75
	- Earlier Years	18.85	53.87	(12.06)	83.02	(12.75)
	(2) Deferred Tax	293.58	460.46	112.30	1,527.42	1,051.76
IX.	Total Tax Expense	882.18	1,447.51	1,189.47	4,615.42	5,221.76
X.	Profit/(Loss) for the period from Continuing Operations (VIII-IX)	693.71	3,386.72	3,391.27	9,477.25	12,640.27
XI.	Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-	-
XII.	Profit/(Loss) for the period (from continuing and discontinued operations) (X+XI)	693.71	3,386.72	3,391.27	9,477.25	12,640.27
XIII.	Other Comprehensive Income					
(A)	(i) Items that will not be reclassified to Profit or Loss					
	- Re-measurement of Defined Benefit Plans	(13.20)	(3.17)	(34.78)	(7.96)	(23.00)
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(301.35)	112.62	(79.92)	(416.31)	(202.25)
	- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	-	0.02	(0.32)	(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	2.86	0.26	9.75	0.80	8.46
	- Net Gain / (Loss) on Fair Value of Equity Instruments	(0.40)	0.40	0.12	12.39	(0.68)
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	0.08	(0.10)	(0.04)	0.05	-
	Sub-Total (A)	(312.01)	110.03	(105.19)	(411.33)	(217.60)
(B)	(i) Items that will be reclassified to Profit or Loss					
	- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(369.06)	33.15	(45.07)	(348.86)	(77.08)
	- Cost of Hedging Reserve	(273.61)	-	-	(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	92.89	(8.35)	15.74	80.27	26.93
	- Cost of Hedging Reserve	68.86	-	-	68.86	-
	- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	(0.80)	-	-	-	-
	Sub-Total (B)	(481.72)	24.80	(29.33)	(477.28)	(50.15)
	Other Comprehensive Income (A+B)	(793.73)	134.83	(134.52)	(888.61)	(267.75)
XIV.	Total Comprehensive Income for the period (XII+XIII)	(100.02)	3,521.55	3,256.75	8,588.64	12,372.52



	Profit attributable to:					
	- Owners of the Company	469.20	2,597.24	2,797.95	7,122.13	9,920.86
	- Non-Controlling Interest	224.51	789.48	593.32	2,355.12	2,719.41
		693.71	3,386.72	3,391.27	9,477.25	12,640.27
	Other Comprehensive Income attributable to:					
	- Owners of the Company	(543.15)	108.05	(115.84)	(626.28)	(239.05)
	- Non-Controlling Interest	(250.58)	26.78	(18.68)	(262.33)	(28.70)
		(793.73)	134.83	(134.52)	(888.61)	(267.75)
	Total Comprehensive Income attributable to:					
	- Owners of the Company	(73.95)	2,705.29	2,682.11	6,495.85	9,681.81
	- Non-Controlling Interest	(26.07)	816.26	574.64	2,092.79	2,690.71
		(100.02)	3,521.55	3,256.75	8,588.64	12,372.52
XV.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	2,640.08	2,640.08	2,640.08	2,640.08	2,640.08
XVI.	Other Equity (As per Audited balance Sheet as at 31st March)	NA	NA	NA	46,759.72	44,481.17
XVII.	Basic and Diluted Earnings Per Equity Share (Face Value of ₹ 10/- each):					
	(1) For continuing operations (in ₹)	1.78	9.84	10.60	26.98	37.58
	(2) For discontinued operations (in ₹)	-	-	-	-	-
	(3) For continuing and discontinued operations (in ₹)	1.78	9.84	10.60	26.98	37.58

* EPS for the quarters is not annualised.

See accompanying Notes to the Consolidated Financial Results.



Notes to the Consolidated Financial Results:

1. Consolidated Statement of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at	As at
		31.03.2020	31.03.2019
		(Audited)	(Audited)
	ASSETS		
1	Financial Assets		
(a)	Cash and Cash Equivalents	1,905.21	726.64
(b)	Bank Balance other than included in Cash and Cash Equivalents	2,282.96	15,650.40
(c)	Derivative Financial Instruments	5,182.27	2,370.56
(d)	Trade Receivables	137.31	172.13
(e)	Loans	6,46,196.11	5,73,661.28
(f)	Investments (Other than accounted for using equity method)	3,853.72	4,122.38
(g)	Other Financial Assets	27,462.12	23,712.97
	Total Financial Assets (1)	6,87,019.70	6,20,416.37
2	Non- Financial Assets		
(a)	Current Tax Assets (Net)	1,138.33	800.94
(b)	Deferred Tax Assets (Net)	5,005.31	6,369.74
(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 Assets	42.07	-
(i)	Other Non-Financial Assets	263.94	393.50
(j)	Investments accounted for using equity method	549.90	481.35
	Total Non- Financial Assets (2)	7,483.97	8,439.70
3	Assets Classified as held for sale	16.98	12.66
	Total Assets (1+2+3)	6,94,520.65	6,28,868.72
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Derivative Financial Instruments	1,925.55	664.99
(b)	Trade Payables		
(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	4,41,765.90	3,98,352.00
(d)	Borrowings (other than Debt Securities)	1,40,666.72	1,27,007.23
(e)	Subordinated Liabilities	14,130.60	14,128.46
(f)	Other Financial Liabilities	29,177.04	24,574.28
	Total Financial Liabilities (1)	6,27,719.03	5,64,801.87
2	Non- Financial Liabilities		
(a)	Current Tax Liabilities (Net)	67.40	5.74
(b)	Provisions	374.32	366.81
(c)	Other Non-Financial Liabilities	193.85	209.95
	Total Non- Financial Liabilities (2)	635.57	582.50
3	Liabilities directly associated with assets classified as held for sale	0.68	0.08
	Total Liabilities (1+2+3)	6,28,355.28	5,65,384.45
4	Equity		
(a)	Equity Share Capital	2,640.08	2,640.08
(b)	Other Equity	46,759.72	44,481.17
	Equity attributable to owners of the Company (a+b)	49,399.80	47,121.25
(c)	Non-Controlling interest	16,765.57	16,363.02
	Total Equity (4)	66,165.37	63,484.27
	Total Liabilities and Equity (1+2+3+4)	6,94,520.65	6,28,868.72



2. Consolidated Statement of Cash Flows for the Year ended 31.03.2020

(₹ in crore)

Sr. No.	Description	Year ended 31.03.2020		Year ended 31.03.2019	
I.	Cash Flow from Operating Activities :-				
	Profit before Tax	14,092.67		17,862.03	
	Adjustments for:				
	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		263.04	
	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)	
	Operating profit before Working Capital Changes:	20,933.72		17,595.09	
	Increase / Decrease :				
	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	
	Cash Flow from Operations Before Tax	(39,379.75)		(75,706.27)	
	Income Tax paid	(3,385.85)		(4,626.89)	
	Income Tax Refund	75.70		81.34	
	Net Cash flow from Operating Activities		(42,689.90)		(80,251.82)
II.	Cash Flow From Investing Activities :				
	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	
	Net Cash Used in Investing Activities		469.81		(13,463.02)
III.	Cash Flow From Financing Activities :				
	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)	
	Net Cash in-flow from Financing Activities		43,398.66		93,616.44
	Net Increase / Decrease in Cash and Cash Equivalents		1,178.57		(98.40)
	Add - Cash and Cash Equivalents at beginning of the financial year		726.64		825.04
	Cash and Cash Equivalents at the end of the Year		1,905.21		726.64
	Details of Cash and Cash Equivalents at the end of the Year:				
	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	1,905.15	357.22	726.63
	ii) Cheques, Drafts on hand including postage and Imprest		0.06		0.01
	Total Cash and Cash Equivalents at the end of the Year		1,905.21		726.64



3	These 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 24.06.2020. The same have been audited 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, as amended.			
4	The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS prescribed 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 and its subsidiary REC Ltd., as per Ind AS 109 is as under.			
	(₹ in crore)			
	S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	a)	Credit Impaired loans	49,127.25	49,888.75
	b)	Impairment Loss Allowance Maintained	25,300.59	24,900.60*
	c)	Impairment Loss Allowance Coverage (%) (b/a)	51.50%	49.91%
	* regrouped to include impairment on commitments			
6	As a matter of prudence, income on credit impaired loans is recognised as and when received and on accrual basis either on resolutions of stressed assets or when expected realisation is higher than the loan amount outstanding.			
7	The Company and its subsidiaries 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. This has resulted in recognition of 'Right to Use Asset' of ₹ 45.84 crore and 'Lease Liability' of ₹ 17.17 crore. The impact on profit for the quarter and year ended 31.03.2020 is not material.			
8	During FY 2019-20, the Company and its subsidiaries have exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group have recognised the provision for income tax and re-measured the deferred tax asset/ liability based on the rate prescribed under Section 115BAA.			
9	Consolidated financial results for the quarter and year ended 31.03.2020 include the financial year to date audited results of one subsidiary & two associates and un-audited results of two subsidiaries, thirteen associates & one joint venture entity. Financial results of these subsidiaries, joint venture entity and associates have been consolidated in accordance with Ind AS 110 - 'Consolidated Financial Statements', Ind AS 111 - 'Joint Arrangements' and Ind AS 28 - 'Investments in Associates and Joint Ventures'.			
10	As required under Reg 23(9) of SEBI(LODR) Regulations, 2015, disclosure of related party transactions on a consolidated basis for the year ended 31.03.2020 is given at Annexure - 'B' .			
11	In the context of reporting business / geographical segment as required by Ind AS 108 - "Operating Segments", the Group's operations comprise of only one business segment - lending to power sector entities. Hence, there is no reportable segment as per Ind AS 108.			
12	The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the financial markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the Group to take prompt actions for continuity of business operations in an optimised manner. The Group believes that impact of this outbreak will not be significant on its business and financial position. Details are annexed at Annexure-'C' .			
13	Figures for the quarters ended 31.03.2020 and 31.03.2019 are the balancing figures between audited figures for the years ended 31.03.2020 & 31.03.2019 and unaudited figures for the nine months ended 31.12.2019 & 31.12.2018 respectively.			
14	Figures for the previous periods have been regrouped / rearranged wherever necessary, in order to make them comparable.			

PLACE: NEW DELHI
DATE: 24.06.2020


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



Transactions with the related parties during the year ended 31.03.2020 on consolidated basis.

(₹ in Crore)

Particulars	Amount
(i) Associates	
Advances to associates	3.59
Recoveries of advances (including interest) from associates	14.92
Interest income on advances to associates	21.12
Advances received from Associates	8.65
Interest expenses on advances from associates	5.07
Income on transfer of associate	59.92
Others	5.95
(ii) Joint Venture entity	0.74
(iii) Trusts / Funds/ Foundations of the Group	
Contributions made during the year	39.49
Others	9.13
(iv) Key Managerial Personnel	
Short term employee benefits (a)	6.15
Post-employment benefits (b)	0.64
Other long term benefits (c)	0.33
Sub Total (a+b+c)	7.12
Repayment/ Recovery of loans and advances	0.11
Directors' Sitting Fees	0.33
Others	0.03
(v) Other Related Parties	4.82



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, 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.

