



मनोहर बलवानी
कम्पनी सचिव
MANOHAR BALWANI
Company Secretary

पावर फाइनेंस कार्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

No: 1:05:138:II:CS
Date: 2nd November, 2018

National Stock Exchange of India Limited,
Listing Department, Exchange Plaza,
Bandra – Kurla Complex, Bandra (E)
MUMBAI – 400 051.

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
लिस्टिंग विभाग, एक्सचेंज प्लाजा,
बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई-400 051

Bombay Stock Exchange Limited,
Department of Corporate Services, Floor – 25,
PJ Towers, Dalal Street,
MUMBAI – 400 001.

बंबई स्टॉक एक्सचेंज लिमिटेड,
कॉर्पोरेट सेवाएं विभाग, मंजिल-25,
पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई-400 001

SUB: Outcome of Board Meeting

Sir/Madam,

In continuation of our earlier letters dated 17th October, 2018 and 22nd October, 2018, we would like to inform you that, the Board of Directors of Power Finance Corporation Ltd. in its meeting held today i.e. 2nd November, 2018 have considered and approved the unaudited financial results (Standalone) for the quarter ended 30th September, 2018 and Interim Financial Statements for half year ended 30th September, 2018.

Accordingly, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Please find enclosed herewith

- Unaudited Financial Results (Standalone) for the quarter and half year ended 30th September, 2018 along with the Limited Review Report by our Statutory Auditors thereupon.
- Unaudited Interim Financial Statements (Standalone) for half year ended 30th September, 2018 along with the Limited Review Report by our Statutory Auditors thereupon.
- Statement of Assets and Liabilities as on 30th September, 2018.

Further, we wish to inform you that the Financial Results being Unpublished Price Sensitive Information will be submitted to the Debenture Trustee(s) for taking note of its contents and issuing their certificate, after the same is made public through Stock Exchanges. Therefore, the certificate from Debenture Trustee(s) required to be furnished under the Regulation 52(5) of the SEBI (LODR) Regulations, 2015 will be submitted to Stock Exchanges on receipt of the same from the Debenture Trustee(s).

The Board Meeting commenced at 12.00 noon and concluded at ~~PM~~ 3.20 PM

A Presentation on the Financial Results is being made available on PFC website i.e. www.pfcindia.com (Home>>Investors>> For Investors-Corporate Info>>Investor Presentations).

Thanking you,

Yours faithfully,
For Power Finance Corporation Ltd.

(Manohar Balwani)
Company Secretary
mb@pfcindia.com

Encl: As above

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

Gandhi Minocha & Co.
Chartered Accountants,
B-6, Shakti Nagar Extension,
New Delhi – 110052
Ph: 011 - 27303078, 42273690
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LIMITED REVIEW REPORT

TO THE BOARD OF DIRECTORS OF POWER FINANCE CORPORATION LIMITED

We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of Power Finance Corporation Limited (the "Company") for the quarter and half year ended 30th September, 2018, 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 Requirements) Regulations, 2015. Management is responsible for the preparation and fair presentation of this statement and the same has been approved by the Board of Directors. Our responsibility is to issue a report on this interim financial information based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS'), specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.

FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No.: 001411N

by the hand of



30, Nishant Kunj,
Pitampura,
New Delhi - 34

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: 02.11.2018

Place: New Delhi

POWER FINANCE CORPORATION LIMITED						
URJANIDHI, I, BARAKHAMBA LANE, CONNAUGHT PLACE, NEW DELHI Website: http://www.pfcindia.com						
CIN L65910DL1986GOI024862						
PART - I : STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018						
Sr. No.	Particulars	Quarter Ended			Half Year ended	
		30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
(₹ in crores)						
I.	Revenue From Operations					
(i)	Interest Income	6,908.48	6,614.06	6,718.58	13,522.54	13,420.92
(ii)	Dividend Income	18.95	4.06	27.53	23.01	28.26
(iii)	Fees and commission income	90.83	8.99	102.00	99.82	178.36
(iv)	Net gain on fair value changes on Derivatives	388.82	340.84	-	729.66	-
	Total Revenue from operations (I)	7,407.08	6,967.95	6,848.11	14,375.03	13,627.54
II.	Other Income (II)	5.59	1.08	0.37	6.67	1.90
III.	Total Income (I+II)	7,412.67	6,969.03	6,848.48	14,381.70	13,629.44
IV.	Expenses					
(i)	Finance costs	4,671.78	4,539.98	4,269.78	9,211.76	8,427.40
(ii)	Net translation / transaction exchange loss (+) / gain (-)	648.39	317.62	19.95	966.01	48.70
(iii)	Fees and commission expense	2.95	1.32	1.77	4.27	3.68
(iv)	Net loss on fair value changes on Derivatives	-	-	43.93	-	45.36
(v)	Impairment on Financial Instruments	(74.40)	2.34	662.08	(72.06)	1,757.18
(vi)	Employee Benefits Expenses	43.72	44.79	38.60	88.51	79.39
(vii)	Depreciation and Amortisation	1.34	1.21	1.39	2.55	2.58
(viii)	CSR Expenses	27.91	4.36	17.66	32.27	21.25
(ix)	Other expenses	34.61	16.52	194.52	51.13	209.64
	Total expenses (IV)	5,356.30	4,928.14	5,249.68	10,284.44	10,595.18
V.	Profit/(loss) before exceptional items and tax (III-IV)	2,056.37	2,040.89	1,598.80	4,097.26	3,034.26
VI.	Exceptional Items	-	-	-	-	-
VII.	Profit/(loss) before tax (V-VI)	2,056.37	2,040.89	1,598.80	4,097.26	3,034.26
VIII.	Tax expense:					
(1)	Current tax	366.32	422.20	721.63	788.52	1,459.11
(2)	Deferred tax - Deferred tax liability (+) / Asset (-)	334.93	245.43	(348.74)	580.36	(773.19)
	Total Tax Expense (VIII)	701.25	667.63	372.89	1,368.88	685.92
IX.	Profit/(loss) for the period from continuing operations (VII-VIII)	1,355.12	1,373.26	1,225.91	2,728.38	2,348.34
X.	Profit/(loss) from Discontinued operations (after tax)	-	-	-	-	-
XI.	Profit/(loss) for the period (IX+X)	1,355.12	1,373.26	1,225.91	2,728.38	2,348.34
XII.	Other Comprehensive Income					
A (i)	Items that will not be reclassified to profit or loss					
-	Actuarial Gain / (Loss) on defined benefit plans	1.46	1.43	1.43	2.89	2.86
-	Net Gain / (Loss) on fair value of equity instruments	(30.37)	(151.61)	(43.50)	(181.98)	(128.97)
A (ii)	Income tax relating to items that will not be reclassified to profit or loss (Deferred tax liability (+) / Asset (-))	(0.44)	(0.44)	(0.44)	(0.88)	(0.88)
	Sub-Total (A) (i-ii)	(28.47)	(149.74)	(41.63)	(178.21)	(125.23)
B (i)	Items that will be reclassified to profit or loss					
-	Effective portion of gains and (loss) on hedging instruments in cash flow hedge	(1.93)	-	-	(1.93)	-
B (ii)	Income tax relating to items that will be reclassified to profit or loss (Deferred tax liability (+) / Asset (-))	-	-	-	-	-
	Sub-Total (B) (i-ii)	(1.93)	-	-	(1.93)	-
	Other comprehensive income XII (A+B)	(30.40)	(149.74)	(41.63)	(180.14)	(125.23)
XIII.	Total Comprehensive Income for the period (XI+XII)	1,324.72	1,223.52	1,184.28	2,548.24	2,223.11
XIV.	Earnings per equity share (Face Value ₹ 10/- each) (for continuing operation) (not annualised):					
(1)	Basic (₹)	5.13	5.20	4.64	10.33	8.90
(2)	Diluted (₹)	5.13	5.20	4.64	10.33	8.90
XV.	Earnings per equity share (Face Value ₹ 10/- each) (for discontinued operation):					
(1)	Basic (₹)	-	-	-	-	-
(2)	Diluted (₹)	-	-	-	-	-
XVI.	Earnings per equity share (Face Value ₹ 10/- each) (not annualised):					
(1)	Basic (₹)	5.13	5.20	4.64	10.33	8.90
(2)	Diluted (₹)	5.13	5.20	4.64	10.33	8.90



POWER FINANCE CORPORATION LIMITED		
CIN L65910DL1986GOI024862		
PART - II : BALANCE SHEET AS AT SEPTEMBER 30, 2018		
(₹ in crores)		
Sr. No.	Particulars	As at 30-Sep-18
		(Reviewed)
	ASSETS	
1	Financial Assets	
(a)	Cash and cash equivalents	1,798.64
(b)	Other Bank Balances	11.70
(c)	Derivative financial instruments	869.21
(d)	Receivables	20.95
(e)	Loans	279,700.14
(f)	Investments	2,781.05
(g)	Other Financial assets	5,608.02
	Sub-Total (1)	290,789.71
2	Non- Financial Assets	
(a)	Current tax assets (Net)	524.67
(b)	Deferred Tax Assets (Net)	3,965.62
(c)	Property, Plant and Equipment	25.41
(d)	Other Intangible Assets	0.74
(e)	Other Non-Financial Assets	177.30
	Sub-Total (2)	4,693.74
	Total Assets (1+2)	295,483.45
	LIABILITIES AND EQUITY	
	LIABILITIES	
1	Financial Liabilities	
(a)	Payables	
	(i) total outstanding dues of micro enterprises and small enterprises	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.92
(b)	Debt Securities	196,227.29
(c)	Borrowings (Other than Debt Securities)	51,222.68
(d)	Subordinated Liabilities	4,005.79
(e)	Other financial liabilities	5,568.74
	Sub-Total (1)	257,026.42
2	Non- Financial Liabilities	
(a)	Provisions	69.61
(b)	Other non-financial liabilities	113.64
	Sub-Total (2)	183.25
3	Equity	
(a)	Equity Share Capital	2,640.08
(b)	Other Equity	35,633.70
	Sub-Total (3)	38,273.78
	Total Liabilities and Equity (1+2+3)	295,483.45
See accompanying notes to the Financial Results:		

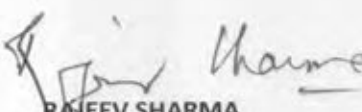


Notes:

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. As required under SEBI (LODR) regulations, the above results have been prepared on the basis of format contained in Division III of Schedule III to Companies Act, 2013 notified by MCA on 11.10.2018 and corresponding comparative figures presented in these results have been regrouped / reclassified in order to conform to current period presentation. These financial results have been drawn up on the basis of Ind AS applicable to the Company as at 30.09.2018. Any application guidance / directions issued by RBI or other regulators are adopted / implemented as and when issued.																																										
2	The above financial results have been reviewed & recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 02.11.2018. The same have been subjected to Limited Review 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 : <table><tr><th>Particulars</th><th>Quarter ended 30.09.2017 (₹ in Crore)</th><th>Half year ended 30.09.2017 (₹ in Crore)</th></tr><tr><td>Net profit after tax as reported under Previous GAAP</td><td>1,886.59</td><td>3,315.18</td></tr><tr><td>Adjustments related to:</td><td></td><td></td></tr><tr><td>Effective Interest Rate (EIR) / Income on loan assets classified at Amortised Cost</td><td>(261.12)</td><td>(412.95)</td></tr><tr><td>Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost</td><td>(8.39)</td><td>(16.06)</td></tr><tr><td>Derivatives (Forward contracts earlier governed through AS 11)</td><td>(12.09)</td><td>(32.75)</td></tr><tr><td>Impairment Allowance</td><td>(560.60)</td><td>(1,263.49)</td></tr><tr><td>Others</td><td>(174.61)</td><td>(9.50)</td></tr><tr><td>Deferred Tax Impact (DTA / DTL) on above</td><td>164.98</td><td>236.58</td></tr><tr><td>DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts</td><td>191.15</td><td>531.33</td></tr><tr><td>Total of adjustments</td><td>(660.68)</td><td>(966.84)</td></tr><tr><td>Net profit after tax as per Ind AS</td><td>1,225.91</td><td>2,348.34</td></tr><tr><td>Other comprehensive income, net of tax</td><td>(41.63)</td><td>(125.23)</td></tr><tr><td>Total comprehensive income (net of tax) as per Ind AS</td><td>1,184.28</td><td>2,223.11</td></tr></table>	Particulars	Quarter ended 30.09.2017 (₹ in Crore)	Half year ended 30.09.2017 (₹ in Crore)	Net profit after tax as reported under Previous GAAP	1,886.59	3,315.18	Adjustments related to:			Effective Interest Rate (EIR) / Income on loan assets classified at Amortised Cost	(261.12)	(412.95)	Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(8.39)	(16.06)	Derivatives (Forward contracts earlier governed through AS 11)	(12.09)	(32.75)	Impairment Allowance	(560.60)	(1,263.49)	Others	(174.61)	(9.50)	Deferred Tax Impact (DTA / DTL) on above	164.98	236.58	DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts	191.15	531.33	Total of adjustments	(660.68)	(966.84)	Net profit after tax as per Ind AS	1,225.91	2,348.34	Other comprehensive income, net of tax	(41.63)	(125.23)	Total comprehensive income (net of tax) as per Ind AS	1,184.28	2,223.11
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4	Company had taken up the matter with RBI w.r.t. applicability of accounting treatment flowing from RBI Master Directions applicable to the Company. Pending clarification from RBI, Company has created Impairment allowance on its loan assets at higher of ECL assessment / RBI norms on loan or portfolio level, based on homogeneous grouping of loans. Cumulative impairment allowance (on Credit impaired loans, other loans and receivables) stands at ₹ 17,169.41 crore as at 30.09.2018 including additional accumulated Impairment allowance (in excess of ECL assessment) of ₹ 1,402.10 crore. Details of credit impaired Loan Assets and provision maintained thereon is as under: <table><tr><th>Particulars</th><th>(Amount in ₹ crore) As at 30.09.2018</th></tr><tr><td>Credit Impaired Loan Assets</td><td>28,286.51</td></tr><tr><td>Impairment Allowance Maintained</td><td>14,445.87</td></tr><tr><td>Impairment Allowance Coverage (%)</td><td>51.07%</td></tr></table>	Particulars	(Amount in ₹ crore) As at 30.09.2018	Credit Impaired Loan Assets	28,286.51	Impairment Allowance Maintained	14,445.87	Impairment Allowance Coverage (%)	51.07%																																		
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5	As a matter of prudence, income on credit impaired loan assets is recognised only when expected realisation is higher than the loan amount outstanding.										
6	Details as required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015: <table border="1"> <thead> <tr> <th>Particulars</th><th>30.09.2018</th></tr> </thead> <tbody> <tr> <td>(i) Debt Equity Ratio</td><td>6.57</td></tr> <tr> <td>(ii) Outstanding Redeemable Preference Shares</td><td>-</td></tr> <tr> <td>(iii) Debenture Redemption Reserve (₹ in crore)</td><td>1,870.50</td></tr> <tr> <td>(iv) Net Worth (₹ in crore)</td><td>38,273.78</td></tr> </tbody> </table> (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 by CRISIL, ICRA and CARE respectively. The Company's short term domestic borrowing programme (including bank loans) continue to have the highest rating of CRISIL A1+, ICRA A1+ and CARE A1+ by CRISIL, ICRA and CARE respectively. The foreign currency issuer ratings assigned to the Company by international credit rating agencies Moody's, Fitch and Standard and Poor's continue to be Baa3, BBB- and BBB- respectively. There has been no change in the credit rating during the half year ended 30.09.2018. (vi) The Company has been raising funds through various instruments including series of non-convertible bond issues. During the quarter and half year ended 30.09.2018, 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 20.09.2018 and 26.09.2018 respectively.	Particulars	30.09.2018	(i) Debt Equity Ratio	6.57	(ii) Outstanding Redeemable Preference Shares	-	(iii) Debenture Redemption Reserve (₹ in crore)	1,870.50	(iv) Net Worth (₹ in crore)	38,273.78
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(iii) Debenture Redemption Reserve (₹ in crore)	1,870.50										
(iv) Net Worth (₹ in crore)	38,273.78										
7	During the current quarter, 'OBRA-C Badaun Transmission Limited' has been incorporated as a wholly owned subsidiary of PFCCL (a wholly owned subsidiary of the Company).										
8	For all the secured bonds issued by the Company and outstanding as at 30.09.2018, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on the receivables of the Company.										
9	The Company's primary business is to provide finance for power sector and accordingly, there are no reportable segments as per Ind AS 108 Operating Segments.										
10	Figures have been rounded off to the nearest crore of rupees with two decimals.										

PLACE: NEW DELHI
DATE: 02.11.2018


RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413



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

LIMITED REVIEW REPORT

We have reviewed the accompanying unaudited standalone interim Ind AS financial Statements of Power Finance Corporation Limited (the "Company") which comprise the Balance Sheet as at 30th September, 2018, Statement of Profit & Loss, Cash flow statement and statement of changes in equity for the period then ended and Significant Accounting Policies & Significant notes thereon. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited standalone interim Ind AS financial statements prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ('Ind AS'), specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Standard on Review Engagements (SRE) 2410, including the manner in which it is to be disclosed, or that it contains any material misstatements.

FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No.: 001411N

by the hand of



CA M.K. AGGARWAL

Partner

Membership No.014956

Date: 02.11.2018

Place: New Delhi

FOR GANDHI MINOCHA & CO.

Chartered Accountants

Firm's Registration No.: 000458N

by the hand of.



CA BHUPINDER SINGH

Partner

Membership No.092867

Power Finance Corporation Limited
CIN L65910DL1986GO1024862
Balance Sheet as at September 30, 2018

(₹ in crores)

Sr. No.	Particulars	Note No.	As at September 30, 2018	As at September 30, 2017
			(Reviewed)	(Reviewed)
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	1	1,798.64	0.82
(b)	Other Bank Balances	2	11.70	8.45
(c)	Derivative financial instruments	3	869.21	316.70
(d)	Receivables			
(I)	Trade Receivables	4	20.95	18.02
(e)	Loans	5	279,700.14	245,929.93
(f)	Investments	6	2,781.05	4,139.27
(g)	Other Financial assets	7	5,608.02	5,502.00
	Sub-Total (1)		290,789.71	255,915.19
2	Non- financial assets			
(a)	Current tax assets (Net)	8	524.67	-
(b)	Deferred Tax Assets (Net)		3,965.62	4,342.23
(c)	Property, Plant and Equipment	9	25.41	24.85
(d)	Intangible assets under development	9	-	0.01
(e)	Other Intangible assets	9	0.74	0.52
(f)	Other non-financial assets	10	177.30	178.10
	Sub-Total (2)		4,693.74	4,545.71
	Total Assets (1+2)		295,483.45	260,460.90
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(a)	Derivative financial instruments	3	-	150.18
(b)	Payables			
(I)	Trade Payables	11	-	-
(i)	total outstanding dues of micro enterprises and small enterprises		-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		1.92	8.65
(c)	Debt Securities	12	196,227.29	205,472.27
(d)	Borrowings (Other than Debt Securities)	13	51,222.68	7,409.21
(e)	Subordinated Liabilities	14	4,005.79	4,005.67
(f)	Other financial liabilities	15	5,568.74	5,612.51
	Sub-Total (1)		257,026.42	222,658.49
2	Non- Financial Liabilities			
(a)	Current tax Liabilities (Net)		-	73.50
(b)	Provisions	16	69.61	76.86
(c)	Other non-financial liabilities	17	113.64	80.83
	Sub-Total (2)		183.25	231.19
3	Equity			
(a)	Equity Share Capital	18	2,640.08	2,640.08
(b)	Other Equity	19	35,633.70	34,931.14
	Sub-Total (3)		38,273.78	37,571.22
	Total Liabilities and Equity (1+2+3)		295,483.45	260,460.90

Significant Accounting Policies, Notes from 1 to 28 and Significant Notes form integral part of interim financial statements

For and on behalf of the Board of Directors

Place New Delhi
Date: 2-Nov-18



Rajeev Sharma
Rajeev Sharma
Chairman and Managing Director
DIN - 00973413

Power Finance Corporation Limited
CIN L65910DL1986GOI024862
Statement of Profit and Loss for the Period ended September 30, 2018

(₹ in crores)

Sr. No.	Particulars	Note No.	Period Ended September 30, 2018 (Reviewed)	Period Ended September 30, 2017 (Reviewed)
I.	Revenue From Operations			
(i)	Interest Income	20	13,522.54	13,420.92
(ii)	Dividend Income		23.01	28.26
(iii)	Fees and commission Income	21	99.82	178.36
(iv)	Net gain on fair value changes on Derivatives	22	729.66	-
	Total Revenue from operations (I)		14,375.03	13,627.54
II.	Other Income (II)	23	6.67	1.90
III.	Total Income (I+II)		14,381.70	13,629.44
IV.	Expenses			
(i)	Finance costs	24	9,211.76	8,427.40
(ii)	Net translation / transaction exchange loss (+) / gain (-)		966.01	48.70
(iii)	Fees and commission expense	25	4.27	3.68
(iv)	Net loss on fair value changes on Derivatives	22	-	45.36
(v)	Impairment on Financial Instruments	26	(72.06)	1,757.18
(vi)	Employee Benefits Expenses	27	88.51	79.39
(vii)	Depreciation and Amortisation	9	2.55	2.58
(viii)	CSR Expenses		32.27	21.25
(ix)	Other expenses	28	51.13	209.64
	Total Expenses (IV)		10,284.44	10,595.18
V.	Profit/(loss) before exceptional items and tax (III-IV)		4,097.26	3,034.26
VI.	Exceptional Items		-	-
VII.	Profit/(loss) before tax (V-VI)		4,097.26	3,034.26
VIII.	Tax expense:			
(1)	Current tax		788.52	1,459.11
(2)	Deferred tax - Deferred tax liability (+) / Asset (-)		580.36	(773.19)
	Total Tax Expense (VIII)		1,368.88	685.92
IX.	Profit/(loss) for the period from continuing operations (VII-VIII)		2,728.38	2,348.34
X.	Profit/(loss) from discontinued operations (After tax)		-	-
XI.	Profit/(loss) for the period (IX+X)		2,728.38	2,348.34
XII.	Other Comprehensive Income			
(A) (i)	Items that will not be reclassified to profit or loss			
-	Actuarial Gain / (Loss) on defined benefit plans		2.89	2.86
-	Net Gain / (Loss) on fair value of equity instruments		(181.98)	(128.97)
(A) (ii)	Income tax relating to items that will not be reclassified to profit or loss (Deferred tax liability (+) / Asset (-))		(0.88)	(0.88)
	Sub-total (A) (i-ii)		(178.21)	(125.23)



(₹ in crores)

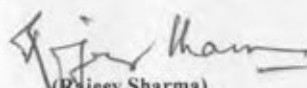
Sr. No.	Particulars	Note No.	Period Ended September 30, 2018 (Reviewed)	Period Ended September 30, 2017 (Reviewed)
(B) (i)	Items that will be reclassified to profit or loss Effective portion of gains and (loss) on hedging instruments in cash flow		(1.93)	-
(B) (ii)	Income tax relating to items that will be reclassified to profit or loss (Deferred tax liability (+) / Asset (-))		-	-
	Sub-total (B)(i-ii)		(1.93)	-
	Other Comprehensive Income (A+B)		(180.14)	(125.23)
XIII	Total Comprehensive Income for the period (XI+XII)		2,548.24	2,223.11
XIV	Earnings per equity share (Face Value ₹ 10/- each) (for continuing operation) (not annualised):			
	(1) Basic (₹)		10.33	8.90
	(2) Diluted (₹)		10.33	8.90
XV	Earnings per equity share (Face Value ₹ 10/- each) (for discontinued operation):			
	(1) Basic (₹)		-	-
	(2) Diluted (₹)		-	-
XVI	Earnings per equity share (Face Value ₹ 10/- each) (not annualised) (XIV + XV):			
	(1) Basic (₹)		10.33	8.90
	(2) Diluted (₹)		10.33	8.90

Significant Accounting Policies, Notes from 1 to 28 and Significant Notes form integral part of interim financial statements.

Place : New Delhi
Date: 2-Nov-18



For and on behalf of the Board of Directors


(Rajeev Sharma)
Chairman and Managing Director
DIN - 00973413

Power Finance Corporation Limited
CIN L65910DL198601024862
Statement of Changes in Equity

A. Equity Share Capital

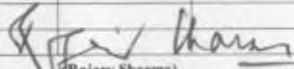
Particulars	As at September 30, 2018	As at September 30, 2017
Balance at the beginning of the reporting period	-	2,640.08
Changes in equity share capital during the year	2,640.08	-
Balance at the end of the reporting period	2,640.08	2,640.08

B. Other Equity

Reserves and surplus											Items of other comprehensive income		Total
Particulars	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97	Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	Debiture Redemption Reserve	Securities Premium Reserve	Foreign Currency Monetary Item Translation Difference Account	Interest Differential Reserve - KFW Loan	General reserve	Retained earnings	Equity Instruments through Other comprehensive Income	Effective portion of Cash Flow hedges	
Balance as on 31.03.2018	-	3,382.99	599.85	15,895.93	1,726.82	2,776.54	(356.41)	57.90	6,438.68	3,784.32	(105.47)	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,728.38	(181.98)	(1.93)	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	118.76	-	512.71	145.82	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	(2.14)	-	-	(1,115.69)	0.62	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002.40	146.73	-	-	0.91	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	3,236.59	599.85	15,313.09	1,580.90	2,776.54	(281.84)	57.32	5,438.68	6,113.21	96.80	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.11	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002.40	146.73	-	-	0.91	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	3,236.59	599.85	15,313.09	1,580.90	2,776.54	(281.84)	57.32	5,438.68	6,113.21	96.80	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002.40	146.73	-	-	0.91	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	3,236.59	599.85	15,313.09	1,580.90	2,776.54	(281.84)	57.32	5,438.68	6,113.21	96.80	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002.40	146.73	-	-	0.91	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	3,236.59	599.85	15,313.09	1,580.90	2,776.54	(281.84)	57.32	5,438.68	6,113.21	96.80	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002.40	146.73	-	-	0.91	-	(1,371.94)	-	-	
Issuance of Bonus Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 30.09.2017	-	3,236.59	599.85	15,313.09	1,580.90	2,776.54	(281.84)	57.32	5,438.68	6,113.21	96.80	-	
Balance as on 01.04.2017	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.77	(181.98)	(1.93)	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,732.15	(181.98)	(1.93)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to / from retained earnings	-	-	-	-	-	-	-	-	-	(1,322.97)	-	-	
Additions / Deletion during the year (net)	-	-	-	-	-	-	-	-	-	1.52	-	-	
Balance as on 30.09.2018	545.68	3,501.75	599.85	16,408.64	1,870.50	2,776.54	(1,472.10)	58.52	6,438.68	5,195.02	(287.45)	(1.93)	
Balance as on 01.04.2017	-	3,014.69	599.85	14,310.69	1,434.17	2,776.54	(288.12)	56.41	5,438.68	5,132.64	225.77	-	
Net Profit for the year	-	-	-	-	-	-	-	-	-	2,348.34	(128.97)	-	
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	-	-	-	3.74	(128.97)	-	
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	2,352.08	(128.97)	-	
Dividends	-	-	-	-	-	-	-	-	-	0.43	-	-	
Transfer to / from retained earnings	-	221.90	-	1,002									

POWER FINANCE CORPORATION LIMITED				
CIN L65910DL1986GO1024862				
CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER, 2018				
				(₹ in Crore)
Sr. No.	Description	Period Ended September 30, 2018 (Reviewed)	Period Ended September 30, 2017 (Reviewed)	
I.	Cash Flow from Operating Activities :-			
	Net Profit before Tax and Extraordinary items	4,097.26	3,034.26	
	ADD: Adjustments for			
	Loss on derecognition of Property Plant & Equipment (net)	0.19	0.15	
	Depreciation and Amortisation	2.55	2.58	
	Amortization of Zero Coupon Bonds & Commercial Papers	44.96	(169.29)	
	Foreign Exchange Translation Loss	965.91	87.15	
	Net Change in Fair Value of Derivatives	(880.80)	64.95	
	Modification Income / (Loss) on Employee Loans	(1.42)	(0.50)	
	Impairment on Financial Instruments	(72.06)	1,757.18	
	Accrued Interest on investment / Dividend Income	(66.93)	(127.08)	
	Interest Subsidy Fund	2.89	4.70	
	Excess Liabilities & Provisions written back	-	(0.76)	
	Provision for Retirement Benefits etc	30.02	18.83	
	Un-amortized fee on Loans	2.78	10.94	
	Un-amortized fee on Borrowings / Debt Securities / Subordinated Liabilities	(9.18)	15.62	
	Operating profit before Working Capital Changes:	4,116.17	4,698.73	
	Increase / Decrease :			
	Loans (Net)	(14,221.82)	(13,010.05)	
	Other Assets (Financial and non-financial)	(15.48)	1,399.34	
	Foreign Currency Monetary Item Translation Difference A/c	(1,115.69)	6.28	
	Liabilities and provisions	564.52	(1,440.26)	
	Cash flow before extraordinary items	(10,672.30)	(8,345.96)	
	Exceptional Items	-	-	
	Cash Inflow / Outflow from operations before Tax	(10,672.30)	(8,345.96)	
	Income Tax paid	(885.77)	(1,170.19)	
	Income Tax Refund	14.20	-	
	Net Cash flow from Operating Activities	(11,543.87)	(9,516.15)	
II.	Cash Flow From Investing Activities :			
	Sale of Property Plant & Equipment	0.03	(1.46)	
	Purchase of Property Plant & Equipment	(1.94)	(1.94)	
	Increase / decrease in Intangible assets under development	-	(0.01)	
	Interest / Dividend on investment	15.70	25.50	
	Change in Other Investments	(143.00)	(97.87)	
	Net Cash Used in Investing Activities	(129.21)	(75.78)	
III.	Cash Flow From Financing Activities :			
	Issue of Bonds (including premium) (Net)	(13,525.36)	11,741.89	
	Raising of Long Term Loans (Net)	16,779.00	(2,000.00)	
	Foreign Currency Loans (Net)	7,026.91	(1,221.53)	
	Commercial paper (Net)	(24.32)	188.37	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)	2,680.42	(2,231.39)	
	Unclaimed Bonds (Net)	(3.50)	-	
	Unclaimed Dividend (Net)	0.86	0.24	
	Payment of Corporate Dividend Tax	-	0.43	
	Net Cash in-flow from Financing Activities	12,934.01	6,478.01	
	Net Increase / Decrease in Cash & Cash Equivalents	1,260.93	(3,113.92)	
	Add : Cash & Cash Equivalents at beginning of the financial year	537.71	3,114.74	
	Cash & Cash Equivalents at the end of the period	1,798.64	0.82	



				(₹ in Crore)	
Sr. No.	Description	Period Ended September 30, 2018		Period Ended September 30, 2017	
Details of Cash & Cash Equivalents at the end of the period:					
i)	Balances with Banks (of the nature of cash and cash equivalents)				
	- In current accounts	3.39		0.82	
	- In demand deposit accounts	1,795.25	1,798.64	-	0.82
ii)	Cheques in hand		-		-
iii)	Imprest with postal authority		-		-
Sub Total (I)			1,798.64		0.82
Details of Earmarked Cash and Bank Balances at the end of the period:					
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		11.70		8.45
ii)	IPDS / R-APDRP				
	Balances in current account with schedule banks		-		-
Sub Total (II)			11.70		8.45
Total Cash and Bank Balance at the end of the period (I+II)			1,810.34		9.27
For and on behalf of the Board of Directors					
Place : New Delhi		 (Rajeev Sharma)			
Date: 2-Nov-18		Chairman and Managing Director DIN - 00973413			



Note: 1 Cash and cash equivalents

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(i)	Balances with Banks (of the nature of cash and cash equivalents)		
	- In current accounts	3.39	0.82
	- In term deposit accounts	1,795.25	-
(ii)	Cheques, drafts on hand		
	- Cheques in hand	-	-
(iii)	Others		
	- Imprest with postal authority	0.00	0.00
	Total	1,798.64	0.82

Note: 2 Other Bank Balances

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(i)	Earmarked Balances with Banks		
	- Unpaid dividend accounts	3.49	1.68
	- Unpaid - Bonds / Interest on Bonds etc.	8.21	6.77
	- Amount received under IPDS / R-APDRP scheme	0.00	0.00
	Total	11.70	8.45



Note: 3 Derivative financial instruments

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018			As at September 30, 2017		
		Notional amounts	Fair value Assets	Fair value Liabilities	Notional amounts	Fair value Assets	Fair value Liabilities
Part - I							
(i)	Currency Derivatives:						
	- Spot and forwards	8,293.31	592.79	-	2,121.76	-	150.18
	- Options	4,711.53	165.90	-	-	-	-
	Subtotal (i)	13,004.84	758.69	-	2,121.76	-	150.18
(ii)	Interest rate derivatives						
	- Forward rate agreements and interest rate swaps	22,006.75	110.52	-	6,287.45	316.70	-
	Subtotal (ii)	22,006.75	110.52	-	6,287.45	316.70	-
	Total Derivative Financial Instruments (i)+(ii)	35,011.59	869.21	-	8,409.21	316.70	150.18
Part - II							
(A)	for hedging and risk management purposes as follows:						
(i)	Cash flow Hedging:						
	- Currency derivatives	1,812.13	-	1.49	-	-	-
	- Interest rate derivatives	1,812.13	-	4.99	-	-	-
	Total Hedged Derivative Financial Instruments	3,624.26	-	6.48	-	-	-
(B)	Undesignated Derivatives	31,387.33	869.21	(6.48)	8,409.21	316.70	150.18
	Total Derivative Financial Instruments (A+B)	35,011.59	869.21	-	8,409.21	316.70	150.18



Note: 4 Receivables

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018			As at September 30, 2017		
		Amortised Cost	FVTPL	Total	Amortised Cost	FVTPL	Total
(i)	Trade Receivables						
	- Considered good - Secured (Gross)	15.51		15.51	11.75		11.75
	- Considered good - Unsecured (Gross)	0.45	3.78	4.23	2.44	1.24	3.68
	- which have significant increase in credit risk	-		-	-		-
	- Credit Impaired (Gross)	8.88		8.88	4.20		4.20
	Less: Impairment loss allowance	(7.67)		(7.67)	(1.61)		(1.61)
	TOTAL	17.17	3.78	20.95	16.78	1.24	18.02



Note: 5 Loans

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
		Amortised Cost	Amortised Cost
(A)	-Loans		
	- Rupee Term Loans (RTLs)	281,799.32	243,986.87
	- Foreign Currency Loans	240.99	242.01
	- Buyer's Line of Credit	1,737.64	1,675.58
	- Working Capital Loans	7,962.86	11,291.99
	- Leasing	223.77	223.77
	- Receivable for Default Payment Gaurantee Invoked	371.52	318.49
	-Interest accrued but not due		
	-on Loan to Borrowers	4,499.70	4,258.44
	-Interest accrued & due		
	On Loan to Borrowers	121.93	630.88
	-Unamortised Fee in respect of loans to Borrowers	(95.84)	(86.83)
	Total (A) Gross	296,861.89	262,541.20
	Less: Impairment on Financial Instruments	(17,161.75)	(16,611.27)
	Total (A)-Net	279,700.14	245,929.93
(B)			
(i)	Secured by tangible assets	189,068.81	179,112.39
(ii)	Secured by intangible assets	-	-
(iii)	Covered by Bank/Government Guarantees	33,126.53	26,241.35
(iv)	Unsecured	74,666.55	57,187.46
	Total (B) Gross	296,861.89	262,541.20
	Less: Impairment loss	(17,161.75)	(16,611.27)
	Total (B)-Net	279,700.14	245,929.93
(C) I	Loans in India		
(i)	Public Sector	244,453.21	219,244.01
(ii)	Private Sector / Others	52,408.68	43,297.19
	Total (C) I Gross	296,861.89	262,541.20
	Less: Impairment loss allowance	(17,161.75)	(16,611.27)
	Total (C) I-Net	279,700.14	245,929.93
(C) II	Loans Outside India	-	-
	Less: Impairment loss	-	-
	Total (C) II-Net	-	-
	Total (C) I + (C) II-Net	279,700.14	245,929.93

Note:- 1. Company has only 'Amortised cost category' to present in this schedule.



Note: 6 Investments

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018					As at September 30, 2017				
		Amortised Cost	At Fair Value		Others*	Total	Amortised Cost	At Fair Value		Others*	Total
			Through Other Comprehensive Income	Through Profit or Loss				Through Other Comprehensive Income	Through Profit or Loss		
(A)											
(i)	Debt securities										
	- Bonds of Dena Bank										
	- Bonds of Andhra Bank										
	- Bonds / Debentures from State Power Corporations										
(ii)	Equity instruments	325.65					325.65				
	- Power Trading Corporation India Limited		80.04			80.04		147.42			147.42
	- Power Grid Corporation India Limited		7.34			7.34		8.21			8.21
	- Rural Electrification Corporation India Limited		0.94			0.94		1.47			1.47
	- Coal India Limited		371.81			371.81		378.23			378.23
	- National Hydro Power Corporation Limited		588.82			588.82		704.77			704.77
	- GMR Chaitigarh Energy Private Limited		0.00			0.00		193.05			193.05
	- Sree Maheshwar Hydro Power Projects Limited		0.00			0.00		0.00			0.00
(iii)	Subsidiaries										
	- Equity instruments										
	- Ultramega Power Projects				0.75	0.75				0.75	0.75
	- Others subsidiaries				100.20	100.20				100.20	100.20
	Preference Shares :										
	- 10% Fully Convertible Preference shares of Subsidiary										
(iv)	Associates - Equity instruments				200.00	200.00				200.00	200.00
	- Energy Efficiency Services Limited				245.50	245.50				146.50	146.50
(v)	Others										
	- Units of "Small is Beautiful" Fund		6.24			6.24		6.30			6.30
	- Application Money pending allotment of Equity Shares										
(B)	Total - Gross (A)	325.65	1,055.19	853.76	546.45	2,781.05	325.65	1,439.45	1,926.72	447.45	4,139.27
(i)	Investments Outside India										
(ii)	Investments in India	325.65	1,055.19	853.76	546.45	2,781.05	325.65	1,439.45	1,926.72	447.45	4,139.27
	Total (B)	325.65	1,055.19	853.76	546.45	2,781.05	325.65	1,439.45	1,926.72	447.45	4,139.27
(C)	Less: Impairment loss allowance (C')										
	Total - Net (A)-(C)	325.65	1,055.19	853.76	546.45	2,781.05	325.65	1,439.45	1,926.72	447.45	4,139.27

*measured at cost less impairment.



Note: 7 Other financial assets

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018			As at September 30, 2017		
		Amortised Cost	Fair Value Through Profit & Loss	Total	Amortised Cost	Fair Value Through Profit & Loss	Total
(i)	Advances - to Subsidiaries (Including interest thereon)			494.93		404.63	404.63
(ii)	Amount Recoverable on account of Bonds fully serviced by GOI	5,038.99	494.93	5,038.99	5,038.98		5,038.98
(iii)	Loans to Employees	36.23		36.23	37.59		37.59
(iv)	Advance to Employees	0.53		0.53	0.75		0.75
(v)	Interest Accrued But Not Due on Employee Loans	26.59		26.59	24.30		24.30
(vi)	Other charges on loans to borrowers	0.96		0.96	0.94		0.94
(vii)	Interest accrued on fixed deposits	1.69		1.69	-		-
(viii)	Security Deposits	0.79		0.79	1.08		1.08
(ix)	Others - Financial Assets	7.31		7.31	(6.27)		(6.27)
	TOTAL	5,113.09	494.93	5,608.02	5,097.37	404.63	5,502.00



Note: 8 Current Tax Assets (net)

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
	Income tax :		
(i)	Advance Income Tax and Tax Deducted at Source	9,776.66	9,924.24
	Less:		
(ii)	Provision for Income Tax	(9,251.99)	(9,997.74)
	TOTAL	524.67	(73.50)



Note: 9 Property, Plant & Equipment and Intangible Assets

Note: 9 Property, Plant & Equipment and Intangible Assets											
Sr. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening Balance as at 01.04.2018	Additions	Deductions	Closing Balance as at 30.09.2018	Opening Balance as at 01.04.2018	For the period 01.04.2018 to 30.09.2018	Deduction / Adjustment	Closing Balance as at 30.09.2018	As at 30.09.2018	As at 01.04.18
I.	Property, Plant and Equipment										
	Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	3.38	3.38
	Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Buildings	24.92	0.00	0.00	24.92	11.13	0.34	0.00	11.47	13.45	13.79
	EDP Equipment	17.07	0.20	2.73	14.54	13.93	0.85	2.65	12.13	2.41	3.14
	Office and other equipment	16.32	1.15	0.93	16.54	12.66	0.94	0.82	12.78	3.76	3.66
	Furniture & Fixtures	9.27	0.58	0.08	9.77	7.20	0.25	0.05	7.40	2.37	2.07
	Vehicles	0.20	0.00	0.00	0.20	0.15	0.01	0.00	0.16	0.04	0.05
	Total	71.16	1.93	3.74	69.35	45.07	2.39	3.52	43.94	25.41	26.09
II.	Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III.	Other Intangible Assets: Purchased Software	9.46	0.01	0.00	9.47	8.57	0.16	0.00	8.73	0.74	0.89



Note: 9 Property, Plant & Equipment and Intangible Assets

Sr. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 30.09.2017	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 30.09.2017	Deduction / Adjustment	Closing Balance as at 30.09.2017	As at 30.09.17	As at 01.04.17
I.	Property, Plant and Equipment										
	Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	3.38	3.38
	Land (Leasehold)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Buildings	24.92	0.00	0.00	24.92	10.42	0.35	0.00	10.77	14.15	14.50
	EDP Equipment	15.16	1.84	0.17	16.83	13.02	1.01	0.14	13.89	2.94	2.14
	Office and other equipment	17.21	1.19	2.44	15.96	14.08	0.95	2.27	12.76	3.20	3.13
	Furniture & Fixtures	7.77	0.43	0.03	8.17	6.97	0.09	0.02	7.04	1.13	0.80
	Vehicles	0.20	0.00	0.00	0.20	0.14	0.01	0.00	0.15	0.05	0.06
	Total	68.64	3.46	2.64	69.46	44.63	2.41	2.43	44.61	24.85	24.01
II.	Intangible assets under development	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00
III.	Other Intangible Assets:										
	Purchased Software	8.95	0.00	0.00	8.95	8.26	0.17	0.00	8.43	0.52	0.69



Note: 10 Other non-financial assets

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(i)	Prepaid expenses	32.80	32.21
(ii)	Deferred employee costs	33.47	32.71
(iii)	Others	111.03	113.18
	Total	177.30	178.10



Note: 11 Payables

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
		Amortised Cost	Amortised Cost
(A)	Trade Payables		
(i)	-total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	-total outstanding dues of creditors other than micro enterprises and small enterprises	1.92	8.65
	Total (A)	1.92	8.65

Note:- 1. Company has only 'Amortised cost category' to present in this schedule.



Note: 12 Debt securities

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
		Amortised Cost	Amortised Cost
(A)	Bonds / Debenture		
(I)	Secured Bonds		
	- Infrastructure Bonds	280.05	284.76
	- Tax Free Bonds	12,275.11	12,275.11
	- 54EC Bonds	372.14	52.67
	- Taxable Bonds	7,550.00	7,550.00
(II)	Unsecured Bonds		
	- Taxable Bonds	156,652.19	161,530.19
	- Foreign Currency Notes	5,073.95	-
	- Commercial Paper	6,319.06	16,011.63
(III)	Interest accrued but not due - on Bonds	7,832.92	7,852.71
(IV)	Unamortised Transaction Cost	(128.13)	(84.80)
	Total (A)	196,227.29	205,472.27
(B)			
(i)	Debt securities in India	191,153.17	205,472.27
(ii)	Debt securities outside India	5,074.12	-
	Total (B)	196,227.29	205,472.27

Note:- 1. Company has only 'Amortised cost category' to present in this schedule.



Note: 13 Borrowings (other than debt securities)

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
		Amortised Cost	Amortised Cost
(A)	Term loans		
(i)	from banks and financial institutions		
	- Foreign Currency Loans	5,703.79	206.75
	- Syndicated Foreign Currency Loans	15,475.15	7,104.11
	- Rupee term Loan	27,304.00	-
(B)	Other loans		
(i)	- Loan against FDs	818.37	-
(ii)	- WCDL / OD / CC / Line of Credit	1,862.05	169.40
(C)	Interest accrued but not due - on Borrowings	221.56	26.72
(D)	Unamortised Transaction Cost	(162.24)	(97.77)
	Total (I)	51,222.68	7,409.21
(II)			
(i)	Borrowings in India	30,137.82	169.46
(ii)	Borrowings outside India	21,084.86	7,239.75
	Total (II)	51,222.68	7,409.21

Note:- 1. Company has only 'Amortised cost category' to present in this schedule.



Note: 14 Subordinated Liabilities

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
		Amortised Cost	Amortised Cost
(A)	- Subordinated Liabilities	3,800.00	3,800.00
	- Interest accrued but not due - on Subordinated Liabilities	206.56	206.56
	- Unamortised Transaction Cost	(0.77)	(0.89)
	Total (A)	4,005.79	4,005.67
(B)			
(i)	Subordinated liabilities in India	4,005.79	4,005.67
(ii)	Subordinated liabilities outside India	-	-
	Total (B)	4,005.79	4,005.67

Note:- 1. Company has only 'Amortised cost category' to present in this schedule.



Note: 15 Other financial liabilities

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018			As at September 30, 2017		
		Amortised Cost	Fair Value Through Profit & Loss	Total	Amortised Cost	Fair Value Through Profit & Loss	Total
(A)	Advance received from subsidiaries		469.67	469.67		450.34	450.34
(B)	Unpaid dividends	3.49		3.49	1.67		1.67
(C)	- Unclaimed dividends						
	- Unpaid - Bonds and Interest Accrued on Bonds	0.43		0.43	0.52		0.52
	- Unclaimed / Unpaid Bonds	11.54		11.54	12.94		12.94
(D)	- Unclaimed / Unpaid Interest on Bonds						
	- Others	15.40		15.40	107.89		107.89
	- Interest Subsidy Fund	5,038.99		5,038.99	5,038.99		5,038.99
	- Payable for Government of India Serviced	29.22		29.22	0.16		0.16
	- Others						
	Total	5,099.07	469.67	5,568.74	5,162.17	450.34	5,612.51



Note: 16 Provisions

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(i)	For employee benefits		
	- Gratuity / Superannuation Fund	0.83	0.67
	- Leave Encashment	22.96	32.54
	- Economic Rehabilitation of Employees	1.69	1.71
	- Bonus / Incentive	16.48	10.65
	- Staff welfare expenses	8.55	6.06
	- Proposed wage revision	19.10	25.23
	Total	69.61	76.86



Note: 17 Other non-financial liabilities

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(i)	TDS Payable	5.75	10.61
(ii)	Statutory dues payable	14.32	5.54
(iii)	Unamortised Fee - Undisbursed Loans	93.57	64.68
	Total	113.64	80.83



Note: 18 Equity Share Capital

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(A)	Authorised Capital 10,000,000,000 equity shares of ₹ 10 each (Previous Year 10,000,000,000 equity shares of ₹ 10 each)	10,000.00	10,000.00
(B)	Issued, Subscribed and Paid-up Capital 2640081408 equity shares of ₹ 10 each (Previous Year 2640081408 equity shares of ₹ 10 each)	2,640.08	2,640.08
	TOTAL	2,640.08	2,640.08



Note: 19 Other equity*

(₹ in crores)

Sr. No.	Particulars	As at September 30, 2018	As at September 30, 2017
(A)	Other Reserves		
(i)	Debenture Redemption Reserve	1,870.50	1,580.90
(ii)	Securities Premium Account	2,776.54	2,776.54
(iii)	Foreign Currency Monetary Item Translation Difference Account	(1,472.10)	(281.84)
(iv)	Statutory Reserves :		
	- Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	545.68	-
	- Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961	3,501.75	3,236.59
	- Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97	599.85	599.85
	- Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98	16,408.64	15,313.09
(v)	Others:		
	- Interest Differential Reserve - KFW Loan	58.52	57.32
	- General reserve	6,438.68	5,438.68
(B)	Retained earnings	5,195.02	6,113.21
(C)	Balances recognised in the statement of other comprehensive income		
(i)	Actuarial Gains / Losses on Post employment Defined benefit plans	-	-
(ii)	Equity Instruments through Other comprehensive Income	(287.45)	96.80
(iii)	Effective portion of gains and loss on hedging instruments in a cash flow hedge	(1.93)	-
	TOTAL	35,633.70	34,931.14

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



Note: 20 Interest income

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018			Period Ended September 30, 2017		
		On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Interest income on securities classified at fair value through profit or loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised Cost	Interest income on securities classified at fair value
(i)	Interest on loans Less : Rebate for Timely Payment to Borrowers		13,665.80 (230.48)			13,467.35 (186.45)	
(ii)	Less : Post COD Timely Payment Rebate		(2.39)	43.92		(3.80)	98.82
(iii)	Interest Income From Investment		30.05	30.05		33.67	
(iv)	Interest on Deposits with Banks		(14.41)	30.05		(22.35)	33.68
	Other Interest Income						
	Total	-	13,448.57	73.97	-	13,288.42	132.50



Note: 21 Fees and commission Income

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Prepayment Premium on Loans	87.68	125.03
(ii)	Upfront fees on Loans	0.15	-
(iii)	Management, Agency & Guarantee Fees	5.01	45.22
(iv)	Commitment charges on Loans	(1.03)	1.28
(v)	Fee on account of GoI Schemes	8.01	6.83
	Total	99.82	178.36

Note: 22 Net gain or (loss) on fair value changes on Derivatives

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Derivatives	729.66	(45.36)
	Total net gain/(loss) on fair value changes	729.66	(45.36)
(i)	Fair value changes:		
(ii)	- Realised	(157.61)	19.59
(iii)	- Unrealised	887.27	(64.95)
	Total net gain/(loss) on fair value changes	729.66	(45.36)

Note: 23 Other income

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Interest on Income Tax Refund	-	-
(ii)	Miscellaneous Income	6.67	1.14
(iii)	Excess Liabilities written back	-	0.76
	Total	6.67	1.90



Note: 24 Finance costs

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018		Period Ended September 30, 2017	
		On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
(i)	Interest on debt securities				
	- Bonds		7,992.58		7,909.21
	- Commercial Paper		223.55		194.31
(ii)	Interest on borrowings				
	- Loans		809.89		137.73
(iii)	Interest on subordinated liabilities		178.56		178.56
(iv)	Other interest expense				
	- Interest on Interest Subsidy Fund		2.89		4.70
	- Intt. on Application Money - Bonds		0.02		0.03
	- Interest paid on advances received from subsidiaries	3.09	-	2.86	-
	- Swap Premium (Net)		1.18		-
	Total	3.09	9,208.67	2.86	8,424.54



Note: 25 Fees and commission expense

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Agency Fees	0.35	0.17
(ii)	Guarantee, Listing & Trusteeship fees	1.14	1.09
(iii)	Credit Rating Fees	2.65	2.57
(iv)	Other Issue Expenses	0.13	(0.15)
	Total	4.27	3.68



Note: 26 Impairment on Financial Instruments

Sr. No.	Particulars	Period Ended September 30, 2018		Period Ended September 30, 2017	
		On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
(i)	Loans		(77.21)		1,771.97
(ii)	Investment	-		-	
(iii)	Others		5.15		(14.79)
		-	(72.06)	-	1,757.18



Note: 27 Employee benefits expenses

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Salaries and wages	64.53	57.70
(ii)	Contribution to provident and other funds	11.35	10.56
(iii)	Staff welfare expenses	10.31	8.38
(iv)	Rent for Residential accommodation of employees	2.32	2.75
	Total	88.51	79.39

Note: 28 Other expenses

(₹ in crores)

Sr. No.	Particulars	Period Ended September 30, 2018	Period Ended September 30, 2017
(i)	Rent, Taxes and Energy Cost	11.93	4.01
(ii)	Insurance	0.05	0.09
(iii)	Repairs & Maintenance	2.06	2.32
(iv)	Printing & Stationery	1.22	1.15
(v)	Travelling & Conveyance	5.93	6.91
(vi)	Communication Costs	0.18	1.07
(vii)	Professional & Consultancy charges	3.33	1.13
(viii)	Directors Fees & Allowance	-	0.01
(ix)	Auditor's fees and expenses	0.13	0.14
(x)	Net loss on derecognition of property, plant and equipment	0.19	0.15
(xi)	Miscellaneous Expenses	26.11	192.66
	Total	51.13	209.64



SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of measurement

The financial statements have been prepared on the historical cost basis except for those financial assets and financial liabilities that are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

2. Recognition of Income and Expenditure

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

3. Expenditure on issue of shares

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

4. Leasing



- i. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.
- ii. Payments and receipts under operating leases are recognised as expense and income respectively, on straight-line basis over the term of the lease.
- iii. Land under non-perpetual lease is treated as an operating lease. Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease.

5. Foreign Currency Transactions and Translations

- i. The following transactions in foreign currency other than Company's functional currency which is Indian Rupee, are recognised at the rates of exchange prevailing at the date of the respective transaction:
 - a) Expenses or income in foreign currency;
 - b) Amounts borrowed or lent in foreign currency; and
 - c) Settlement of derivative contracts in foreign currency.
- ii. At the end of each reporting period, following monetary items that are denominated in foreign currency are translated at the rates of exchange prevailing at that date:
 - a) Foreign currency loan liabilities;
 - b) Funds kept in foreign currency account with banks abroad;
 - c) Contingent liabilities in respect of guarantees given in foreign currency;
 - d) Income earned abroad but not remitted / received in India;
 - e) Loans granted in foreign currency; and
 - f) Expenses and income accrued but not due on foreign currency borrowings / loans.

6. Employee benefits

i. Provident Fund and Pension benefits

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

ii. Gratuity and Post Retirement benefits

The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual



reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

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

iv. Short term employee benefits

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

v. Loan to employees at concessional rate

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

7. Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional Income Tax that arises from the distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.



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

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.
- ii. In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved subject to necessary adjustment in the year of final settlement.
- iii. Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.
- iv. Under-construction PPE are carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.
- v. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been taken as 2 years as estimated by the Company.
- vi. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.
- vii. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- viii. Items of PPE costing up to Rs. 5000/- are fully depreciated, in the year of purchase.

9. Intangible assets

- i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.
- ii. Expenditure incurred which are eligible for capitalisation under intangible assets is carried as intangible assets under development till they are ready for their intended use.
- iii. Estimated useful life of the intangible assets with finite useful lives has been estimated by the Company as 5 years.



- iv. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

10. Provisions and Contingent Liabilities

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

11. Investment in Group entities

Investment in subsidiaries and associates are accounted at cost less impairment (if any).

12. Financial instruments

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

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

12.1 Financial assets

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

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

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



a) Financial assets at Amortised Cost:

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

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

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. Income is recognised on an effective interest rate basis for financial assets other than those classified as at FVTPL.

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

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

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

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

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

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

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

ii) Classification and measurement of Equity Instruments

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

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



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

iii) Impairment of financial assets

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

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

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

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

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

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

iv) De-recognition of financial assets

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

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

12.2 Financial liabilities

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



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

ii) Financial guarantee

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

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

iii) De-recognition of financial liabilities

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

13. Derivative financial instruments

13.1 The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including Principal only swaps, Interest rate swaps, Options and forward contracts.

13.2 Company designates certain derivative contracts under hedge relationship either as cash flow hedges or fair value hedges.

Cash flow hedge

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

Fair value hedge

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

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



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

14. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

15. Cash and Cash Equivalents

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



Significant Notes:

- 1** The Company adopted Ind AS from 01.04.2018 and the effective date of transition was 01.04.2017. Accordingly, these interim financial statements 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. Financials for the corresponding period prepared under previous GAAP have been duly restated to Ind AS.

These interim financial statements have been drawn up on the basis of Ind AS applicable to the Company as at 30.09.2018. Any application guidance / directions issued by RBI or other regulators are adopted / implemented as and when issued.

- 2** The interim financial statements have been reviewed & recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on 02.11.2018. The same have been subjected to Limited Review 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	Half year ended 30.09.2017 (₹ in Crore)
Net profit after tax as reported under Previous GAAP	3,315.18
Adjustments related to:	
Effective Interest Rate (EIR) / Income on loan assets classified at Amortised Cost	(412.95)
Effective Interest Rate (EIR) on Borrowings classified at Amortised Cost	(16.06)
Derivatives (Forward contracts earlier governed through AS 11)	(32.75)
Impairment Allowance	(1,263.49)
Others	(9.50)
Deferred Tax Impact (DTA / DTL) on above	236.58
DTA on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts	531.33
Total of adjustments	(966.84)
Net profit after tax as per Ind AS	2,348.34
Other comprehensive income, net of tax	(125.23)
Total comprehensive income (net of tax) as per Ind AS	2,223.11

- 4** Company has taken up the matter with RBI w.r.t. applicability of accounting treatment flowing from RBI Master Directions applicable to the Company. Pending clarification from RBI, Company has created Impairment allowance on its loan assets at higher of ECL assessment / RBI norms on loan or portfolio level, based on homogeneous grouping of loans.

Cumulative impairment allowance (on Credit impaired loans, other loans and receivables) stands at ₹ 17,169.41 crore as at 30.09.2018 including additional accumulated Impairment allowance (in excess of ECL assessment) of ₹ 1,402.10 crore.

Details of credit impaired Loan Assets and provision maintained thereon is as under:

(Amount in ₹ crore)

Particulars	As at 30.09.2018
Credit Impaired Loan Assets	28,286.51
Impairment Allowance Maintained	14,445.87
Impairment Allowance Coverage (%)	51.07%



- 5** As a matter of prudence, income on credit impaired loan assets is recognised only when expected realisation is higher than the loan amount outstanding.

- 6** The Company has started recognising Deferred Tax Asset on amount of accumulated Impairment allowance in excess of Reserve for Bad & Doubtful Debts (RBDD). Suitable adjustment has also been made on the transition date and in the restated comparative financials. Cumulative DTA on excess of Impairment allowance over RBDD stands

at ₹ 4,776.03 crore as on 30.09.2018.

7 During the current half year, Government of India (GoI) has transferred 71,76,049 equity shares held in the Company, in connection with Follow-on Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF. Accordingly, shareholding of GoI in the Company has come down from 65.92% to 65.64% of the paid up equity capital.

8 During the current half year, the Company has applied for 9,90,00,000 equity shares of Energy Efficiency Services Limited (EESL) of face value ₹ 10/- per share at par aggregating to ₹ 99 crore. The shares have been allotted on 02.07.2018.

Particulars	30.09.2018
(i) Debt Equity Ratio	6.57
(ii) Outstanding Redeemable Preference Shares	-
(iii) Debenture Redemption Reserve (₹ in crore)	1,870.50
(iv) Net Worth (₹ in crore)	38,273.78

(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 by CRISIL, ICRA and CARE respectively. The Company's short term domestic borrowing programme (including bank loans) continue to have the highest rating of CRISIL A1+, ICRA A1+ and CARE A1+ by CRISIL, ICRA and CARE respectively.

The foreign currency issuer ratings assigned to the Company by international credit rating agencies Moody's, Fitch and Standard and Poor's continue to be Baa3, BBB- and BBB- respectively. There has been no change in the credit rating during the half year ended 30.09.2018.

(vi) The Company has been raising funds through various instruments including series of non-convertible bond issues. During the quarter and half year ended 30.09.2018, 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 20.09.2018 and 26.09.2018 respectively.

10 During the current half year, 'Vapi II-North Lakhimpur Transmission Limited' and 'OBRA-C Badaun Transmission Limited' have been incorporated as a wholly owned subsidiary of PFCCL (a wholly owned subsidiary of the Company).

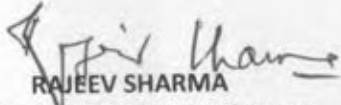
11 For all the secured bonds issued by the Company and outstanding as at 30.09.2018, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on the receivables of the Company.

12 The Company's primary business is to provide finance for power sector and accordingly, there are no reportable segments as per Ind AS 108 Operating Segments.

13 Figures have been rounded off to the nearest crore of rupees with two decimals.

PLACE: NEW DELHI
DATE: 2-Nov-2018




RAJEEV SHARMA
Chairman & Managing Director
DIN - 00973413