



Parts of Puniab

Gujarat and Kerala



over twice its

normal rainfall for

experienced heavy rainfall

Cement

Parts of Tamil CURRENT WEATHERAND **FORECAST**

Parts of Odisha and West Bengal are likely to receive heavy rainfall

Madhya Pradesh will see heavy



Parts of Madhya Pradesh Parts of Uttarakhand and Uttar Pradesh are expected to saw temperatures rise 5°C above normal receive heavy showers

Core Sector Growth Slows to 2.1% in July

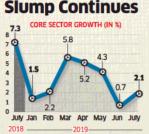
DEMAND SLUMP Production of coal, crude oil, natural gas, refinery products decline; 4.4% recorded in July 2018 gas and refinery product output fell by 0.5% and 0.9%, re-

New Delhi: India's core sector out New Delni: India's core sector out-put remained weak in July, with growth slowing to 2.1% from a year earlier, as production of coal, crude oll, natural gas and refinery pro-ducts declined, the government said on Monday. While growth as recorded by the In-dex of Eight Core Industries was

dex of Eight Core Industries was higher than an over four-year low of 0.2% in June, it was lower than 4.4% recorded in July 2018.

The eight core industries of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity, which have a 40.27% weight in the Index of Industrial Production, grew 3% in the April-July parted compared with 5.9% in the period compared with 5.9% in the

year-ago period. Last week, official data showed India's GDP expanded at 5% in the first quarter, the slowest pace in over six years.



"There seems to be a slowdown which appears to be deep-rooted, particularly on the demand side Coal, crude oil and petroleum are all linked to the demand side, parti cularly for automobiles and anything related to manufacturing," said NR Bhanumurthy, professor

specified a deadli-

ne for completion of pending assess-ments. It had said

Finance and Policy. He added that the data indicated that the budget had not helped much in improving sentiment in July. Coal and crude oil output declined

by 1.4% and 4.4%, respectively, in July from a year earlier, while natural

Coal and

7.9% and steel production increased by 6.6%, the commerce and industry mini-"The core sector growthshowsaconti-

nuous weakness in the month of July and factoring in the consumption demand in the first qu consumption demand in the first quarter, it is likely that the July III growth will be sluggish and continue to remain sluggish for the next few months," said DK Pant, chief economist at India Ratings and Research

spectively.

stry said.

output increased by

search. He said experts would now watch out for improvement in demand in the festive season and that the Reser ve Bank of India may cut interest ra-

"Looking at the inflation trajectory, collapse of consumption de-mand, monetary policy is likely to do the heavy lifting," said Pant. The RBI has already cut interest ra-

tes by 110 basis points this year. One tes by 110 basis points this year. One basis point is one-hundredth of a percentage point. Bhanumurthy was sceptical about the impact of an interest rate cut. "When there is no demand, inter-ser this would not be much. Piecel

est cuts would not help much. Fiscal policy should have been more active when the economy is slowing down and then monetary policy should ha ve followed fiscal measures," said

ve followed fiscal measures," said Bhanumurthy.

He said the government should fo-cus on identifying stalled infrast-ructure projects and front-load capi-tal expenditure on them and others that would have a multiplier effect on the economy.

"The government should provide resources for capital expenditure even at the cost of slipping on the fi-scal deficit target," he said.

PSB Heads Told to Reform Boards

New Delhi: Taxmen will not approach startups for any outstanding income tax demand unless it has been confirmed by the appellate tribunal. The Central Board of

ciar incation is successful of a naza-tion issues hurting startups, inclu-ding the so-called angel tax.
"It has been reiterated time and again by CBDT that outstanding income-tax demand relating to additions made under section 56 (Vyttib) would not be pursued (2)(viib) would not be pursued and no communication in re spect of outstanding demand wo uld be made with the Start-up en

indated all the cir-culars/clarifica-tions issued on this subject for the ease of compliance of start-up entities," it CBDT also said in a statement on Monday. The board had

that all cases in-volving "limited scrutiny" wo-uld have to be completed preferably by September 30 and other cases disposed of on priority preferably by October 31.

The CBDT had also issued a cir-The CBDT had also issued a Cir-cular dealing with cases under "limited scrutiny", where mul-tiple issues including issue of section 56(2)(vilb) were invol-ved. This section deals with the

"With a view to institutionalise ac-With a view to instrutionalise ac-countability for observance of app-roved risk appetite, the bank may gi-ve the risk committee of its board a mandate to periodically review ad-herence to the risk appetite fram-ework of the bank and to fix accoun-tability in the event of breach of tability in the event of breach of approved risk appetite," the Financial Services Department said in a letter sent to state-run banks, seen

Chairman's Speech at the AGM of Power Finance Corporation held on 27th August, 2019

28th March 2019 was a Red Letter Day in the history of PFC, when your Company acquired Government of India's 52.63% equity stake in REC Limited (formerly Rural Electrification Corporation Limited), for a total consideration of ₹14,500 Crs. With this landmark deal, PFC is now a promoter and the holding



risk management committee, and to combine the nomination and remuneration committees

the management will decide on the the management will decide on the appraisal of top officials, instead of a single person. The management will be accountable towards to the board of the PSBs, by way of the board appraising the general manager and above ranks, including the managing director.

As narriof the proforms, she also sa-Aspart of the reforms, she also sa

id banks will be allowed to hire chief risk operators at market-linked er risk operators at market-linked compensation, and were not bound to the government-allocated sala-ries. The government also allowed bank boards to decide individual development plans for senior ex-ecutive positions to ensure a smo-oth transition when the senior of oth transition when the senior executive leaves or retires. The risk management committee

will be governed as per a Risk Appetite Framework. The framework will consist of risk limits for the re spective banks, policies and procedures for material as well as reputational risks, and clearly defining the committee members' roles.

Panel Seeks 'Right to Health', Shift to **Concurrent List**

The group suggests prohibiting medical college faculty from private practice

Dinesh.Narayanan

New Delhi: A high-level group (HLG) on health sector constitu-ted by the Fifteenth Finance Commission has recommended that 'Right to Health' be declared a fun damental right on the 75th Inde pendence Day in 2022 and the Constitution be amended to shift the subject of health from the state list to the concurrent list. The HLG also suggested separating training for medical teachers and service providers and prohibiting medical college faculty from pro fessional private practice.

The idea of making healthcare a right has been a matter of debate for long. "The challenge is defifor long. "The challenge is defi-ning 'right to health', "a senior go-vernment official, who helped de-sign several key government he-althcare policies, told ET on con-dition of anonymity as he is not directly involved with health policymaking anymore. "Once it is de clared as a right, the economic ca pacity of the state does not matter.

pacity of the state does not mater. It has to provide it," he said.

The group, mandated to evaluate the regulatory framework in the health sector, was headed by Randeep Guleria, director, AliMs, New Delhi. Panel also included Devi Shetty, chairman, Narayana Health City, Bengaluru, Naresh Trehan, chairman, Medanta City, Gurgaon, Srinath Reddy, presi-dent, Public Health Foundation of India (PHFD, DG Mhaisekar, vice chancellor, Maharashtra Univer-sity of Health Science, Pune, and Bhabatosh Biswas, head, cardio thoracic surgery, RG Kar Medical

New Ideas √ Moots performance based framework for incentivising states



Calls for govt incentives for private infrastructure

College, Kolkata.

Most of the recommendations were pushed through in the last meeting, said a panel member. "Strangely," the member added, "the entire panel is confined to the closer cayley." Ho was ded, "the entire paner is com-ned to the chest cavity." He was alluding to the composition of the committee that had only he art or lung doctors.

Ten other persons, apart from FFC members and officials, contributed to the panel's report. All of them were either from NITI Aayog, Union ministry for health and family welfare or AIIMS, New Del-ly No officials from state convent. hi. No officials from state govern ments or institutions have been listed as involved in the prepara

listed as involved in the prepara-tion of the report.

The report, which ET has revie-wed, says there should be a com-mon exit exam for undergradua-te medical students qualifying from both public and private medical colleges. The performance of the students from each college, each year will determine the affiliation and number of under graduate seats for the respective institutions in the following years. In other words, poor performance by students could reduce the number of seats for the college and even affect its affiliation.

No Tax Demand from Startups Without Appellate Tribunal Nod "CBDT has conso

Direct Taxes (CBDT) has issued a consolidated circular reiterating clarifications issued so far on taxa

tity," said the CBDT. It further said that any other in

come tax demand would not be pursued against startups unless the demand is confirmed by the Income Tax Appellate Tribunal.

Shri Rajeev Sharma

Chairman & Managing Director

Annual General Meeting of your Company. Financial Year 2018-19 was an eventful and a landmark year in the history of PFC. 28" March 2019 was a Red Letter Day in the history of PFC, when your Company acquired Government of India's 52.63% equity stake in REC Limited (formerly Rural Electrification Corporation Limited), for a total

more than ₹ 50,000 Crs, loan assets of ₹ 6 lakh Crs and profit of more than ₹ 12,500 Crs. The acquisition would enable increased efficiencies in lending processes and policies across both the institutions and would create public value by offering better loan products to the power sector. Further, the acquisition will help in

Corporation Limited), for a total consideration of ₹ 14,500 Crs. With this landmark deal, PFC is now a promoter and the holding company of REC Limited.

The acquisition is a significant move

Ladies and Gentlemen.

@timesgroup.com

New Delhi: The Department of Fi-nancial Services has asked heads of all state-run banks to initiate the process of reforming their boards in line with governance changes anno-need by Responsibilities. unced by finance minister Nirmala Sitharaman on Friday as part of the mega banking reform package.

The letter asked the banks to form a risk management committee, and to combine the nomination and remuneration committees.



Banks asked to form a

Sitharaman had on Friday anno-unced a slew of measures including consolidation of 10 state-owned len-ders into four that seek to change the banking landscape. Consolidation will be accompanied with signifi-



to₹ 6,00,000 Crores PFC - INDIA'S LARGEST INFRA FINANCE COMPANY & LARGEST GOVERNMENT NBFC **Assets Up from** ₹3,00,000 Crores

diversification of assets of the group as well as better management of portfolio risk and would also help in resolution of stressed power sector assets of the group a better and coordinated manner.

pany of REC Limited

lam pleased to share that post the acquisition transaction, PFC's credit rating has been retained and your company has also kept the Capital Adequacy Ratio at comfortable levels to reassure shareholders, investors & credit rating agencies about the business growth going forward.

going forward.

On the business front, the year also saw some significant landmarks for PFC on a standalone basis. We achieved our highest ever annual profit of about ₹7,000 Crs. Your Company has recorded lish highest ever disbursements for three years in a row and with this year's loan disbursements crossing ₹ 67,600 Crs mark. The loan assets also crossed the ₹ 3 lakh milestone and saw a robust growth of 13% during the year.

On the horrowing front, the share of foreign

on the borrowing front, the share of foreign currency borrowings in the overall borrowing increased to 10% on the back of fresh foreign currency mobilization upon the back of the borrowing increased to 10% on the back of t the first dual and largest USD bonds the first dual and largest USD bonds transaction for Government owned Indian NBFC and also the first 5 year susuance by PFC Going forward, we expect the foreign currency borrowings to contribute to our portfolio to a greater extent. As indicated earlier, 54EC Capital Gain Tax bonds are an important

54EC Capital Gain Tax bonds are an imports source of funds for PFC owing to its low cost. I am happy to share that the mobilization under the capital gains tax bonds has witnessed a 2.7 time jump from the previous financial year. Due to the various efforts made by your Company on the borrowing front, the cost of funds has reduced significantly from 8.21% in FY18 to 7.95% in FY19.

2x jump

A decisive majority for NDA 2.0 under the leadership of Prime Minister Shri Narendra Modi leadership of Prime Minister Shri Narendra Modi would only add to India's political and economic muscle in the comity of nations. The Government's commitment to an all inclusive economic and socially harmonious' order would further the cause of spreading prosperity and a spirited campaign against poverty in line with United Nation's millennium development goals. Taking the economic growth story to rural India would be natural extension of the country's journey thus far. country's journey thus far

With a healthy GDP of around 7% in the last five years, India's economic profile has never been better globally. Liberal policies adopted by the Central Government have only lent an edge to India as an attractive investment destination amongst emerging markets



Stabilization and reduction in Goods and Services Tax (GST) rates across product categories seem to have enthused investors within and outside the country. Strong domestic consumption demand has provided a Strong oomestic consumption demand has provided a big fillip to industry, services, farm sector and exporters laying a firm foundation for long haul investments. Various government initiatives like "Make in India" & 'Digital India' have given opportunities to foreign companies for setting up their facilities in India.

India's famed labour force is expected to touch 170 million by next year, turning the country into a powerhouse for human resources and key supplier of manpower internationally. Leveraging the demographic potential also seems to have begun in the right earnest with nean chigh selfie development expension taken.

with pan-India skills development campaign taken up by centre in partnership with State Governments, corporate world and other India is firmly on its way to catapult into the big league. It's all set to become the third largest economy in 10 - 15 years backed by strong democracy and partnerships. India's GDP is expected to reach USD5 trillion in next few years and on the back of digitization,

The growth of Indian economy has been supplemented by the power sector despite facing several challenges. Now every village has access to quality and affordable electricity while power to every family has become a near reality. Energy deficit has been reduced to almost zero and India nas been reduced to aimost zero and india emerges as net exporter of electricity to Nepal, Bangladesh and Myammar. More than 1,07,000 MW Generation Capacity has been added between April 2014 and March 2019. These developments coupled with a huge capacity creation in renewable and new

approving the petitions for tariff increase due

₹6,953 cr. that's being tackled head Various steps have been taken by Government of India to tackle the issue of stressed assets in Power Sector. Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) was launched to provide

provided a great business opportunity to your Company. Under Saubhagya, a flagship scheme of Government of India, almost 100% household electrification

has been achieved. More than ₹ 34,000 Crore

than ₹ 34,000 Crore interest cost has been saved by DISCOMs under UDAY within two years. Providing electricity to all, round the clock, 365 days a year has become the

next big challenge

coal to the stressed power projects. SHAKTI covers projects which have PPAs but do not have Fuel Supply Agreements in place and also th which do not have Power Purchase Agreements (PPAs). The objective of this scheme is to eliminate the stress in generation utilities. Some of these stressed projects have

utilities. Some of these stressed projects have already started to receive coal under the scheme. Also, a Pilot Scheme for mid-term PPA for stressed projects was launched by the Ministry of Power for which PFCCL, our subsidiary company is the Nodal Agency and PTC is the aggregator to purchase power for three years from commissioned projects with no PPA Under the scheme, beneficiary states have signed PPAs for 1900 MW with eligible bidders at lartiff of ₹ 4.24 per unit. Now Phase II of the Pilot PPA scheme has been launched with PFCCL as the Nodal Agency and NHPC as the aggregator. Bids from 15 companies have been finalized with a tariff of ₹ 4.41 per unit. Ministry of Power has also issued significantly important guidelines with respect to timelines for approving the petitions for tariff increase due

Cost of Funds

Cost o the projects to sell power on sustain basis and resolve the stress going forward.

I am pleased to share that under these schemes some of the projects financed by PFC have received coal linkages and also mid-term PPAs, which will help in resolution of stress.

In order to encourage Renewable Generation, Ministry of Power extended the walver of ISTS Transmission

charges and losses for Solar & Wind based Projects upto March 2022. Further, in order to achieve the Renewable target of 1,75,000 MW of Renewable Capacity by 2022, MOP issued Long Term Growth trajectory Renewable Purchase Obligation (RDD) to Separate Long Separate trajectory Renewable Purchase Obligation (RPO) for Solar as well as Non-Solar till the

India's rank improved to 24 in 2018 fro India's rank improved to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - 'Getting Electricity' Ranking. Several measures have been initiated to reform and strengthen the power sector as a whole including power generation, transmission and distribution. These also include achievements in Capacity addition and also composite the provided that the composition of the compos

important reforms being ₹A,387 undertaken for increasing energy efficiency and increasing accountability and transparency by launching Mobile applications like PRAAPTI, Ash Tracketc.

Anter Your Company's philosophy of Corporate Governance stems from its belief that the spirit of good governance lies in adherence to highest standards of transparency, accountability, ethical business practices, compliance of law in true letter and spirit, adequate

disclosures, corporate fairness, social responsiveness and commitment to the organization to meet stakeholders aspirations and societal expectations.





Your Company is a socially responsible corporate entity Your Company is a socially responsible corporate entity which is committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development. PFC's focus on the CSR front has been on the projects for national as well as local importance. Some of the projects like skill development for economically and socially backward men and women, installation of solar street lights, provision for medical equipment etc. have a wide reaching impact on our society as a whole. Your company has disbursed ₹ 118 crore under the CSR activities in FY19.

I am extremely thankful to the shareholders, who have rain extensive y inaulivation to lesi stateroutels, with orange reposed faith in us. My sincere and hearfelf thanks go out to the Horible Union Minister of State (I/c) for Power & New and Renewable Energy and officials of the Ministry of Power for their continued support and guidance. I am also truly grateful to Board of Directors, investors and Valued Clients for their support.

Wir thema

Rajeev Sharma Chairman & Managing Director DIN No.: 00973413

(This does not purport to be a record of the proceedings of the Annual General Meeting held on 27 August, 2019. For full text, please visit: www.pfcindia.com)



POWER FINANCE CORPORATION LTD.

(A Govt. of India Undertaking)

New Delhi-110 001, Ph.: 011-23456000, Fax: 011-23412545 Website: www.pfcindia.com CIN: L65910DL1986G0I024862

Connect with us on: [] 💟 [@ @pfclindia

