



**PFC CONSULTING LTD.**

(A wholly owned subsidiary of Power Finance Corporation Ltd.)

**7<sup>th</sup> Annual Report 2014-15**



# **TABLE OF CONTENTS**

<b>Particulars</b>	<b>Page No.</b>
Corporate Information	1
Chairman's Speech	2
Notice	8
Directors' Report	16
Management Discussion and Analysis Report	49
Report on Corporate Governance	55
Auditor's Report	61
Financial Statements	68

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Shri M.K.Goel	Chairman
Shri R.Nagarajan	Director
Shri A.K.Agarwal	Director

### **CHIEF EXECUTIVE OFFICER**

Shri C. Gangopadhyay

### **COMPANY SECRETARY**

Ms. Rachna Gupta Singh

### **SUBSIDIARIES**

DGEN Transmission Company Limited  
(Transferred to Instalaciones Inabensa, S.A., Spain on 17.03.2015)  
Tanda Transmission Company Limited  
Ballabgarh-GN Transmission Company Limited  
Mohindergarh-Bhiwani Transmission Limited  
Raipur-Rajnandgaon-Warora Transmission Limited  
Sipat Transmission Limited  
Chhattisgarh-WR Transmission Limited  
South-Central East Delhi Power Transmission Limited  
Warora-Kurnool Transmission Limited  
Odisha Generation Phase-II Transmission Limited

### **STATUTORY AUDITORS**

M/s Serva Associates

### **BANKERS**

Allahabad Bank  
Dena Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Punjab National Bank  
The Ratnakar Bank Ltd.  
State Bank of Hyderabad  
State Bank of India  
Yes bank Ltd.

### **REGISTERED OFFICE**

First Floor, Urjanidhi, 1,  
Barakhamba Lane,  
Connaught Place,  
New Delhi-110001

### **WEBSITE:**

**[www.pfclindia.com](http://www.pfclindia.com)**

## CHAIRMAN'S SPEECH

Ladies and Gentleman,

It gives me great pleasure in welcoming you all to the 7<sup>th</sup> Annual General Meeting of your Company.

### The Economy

Indian economy has shown signs of recovery in last couple of years with stronger growth, significantly narrowed current account deficit, fiscal deficit moving towards a consolidation path and inflation trending downwards. However, Indian economy is certainly capable of achieving higher growth than the current levels. In order to achieve and sustain such higher economic growth it is imperative that there should be an enabling atmosphere that fosters competition and improves ease of doing business. The challenge, therefore, is to initiate structural reforms for sustainable higher economic growth.

The Government of India has already initiated various structural reforms to improve the ease of doing business. The recent structural reform initiatives include labour reforms, measures to increase FDI into India, 'Make in India', 'Digital India', reforms to promote energy, coal and mining, push for national Goods and Services Tax (GST) and land reforms, some of which are underway.

Govt. of India in its Union Budget in Feb, 2015 emphasized on infrastructure creation as central to its road map for economic growth. The government promised in the budget to boost infrastructure spending by Rs. 70,000 Crores in fiscal 2016. Accordingly, the fiscal 2016 consolidation target has been relaxed to allow for increased infrastructure investment. Further, Govt. announced formation of an investment and infrastructure fund and tax-free bonds for raising funds to facilitate investment in infrastructure. The above clearly underlines Government's commitment to revive the investment cycle to spur economic growth.

### Outlook on Power Sector

The fiscal 2015 was a good year for Indian power sector with (i) highest capacity addition in a single year, of 22,566 MW (ii) power generation growth of 8.4%, the highest in 20 years (iii) power deficit reduced to 3.6%, the lowest ever (iv) highest ever increase in transmission lines to 22,100 ckm (v) highest ever increase in sub-station capacity to 65,554 MVA (vi) highest coal production growth of 8.3% in last 23 years (vii) first time ever exceeded renewable capacity addition targets.

Indian power sector, however, is still grappling with structural challenges like fuel supply issues, weak financial health of State distribution utilities, stressed projects & balance sheets of power developers. Govt. of India has already introduced several reform initiatives and measures to address the issues of power sector, which includes (i) the uncertainty, post cancellation of 204 coal blocks in 2014, was adequately addressed by Govt. through quick reallocation of coal blocks through a transparent e-auction process (ii) to operationalize the stranded gas based power projects, Govt. introduced new gas pooling mechanism whereby Govt. would provide subsidy in fiscal 2016 and fiscal 2017 to kick start the stranded gas projects (iii) Two new schemes aimed at distribution reforms have been formulated, got approved & are being implemented by Govt., namely Integrated Power Development Scheme (IPDS) for Urban areas and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for Rural areas. Additionally, Restructured Accelerated Power Development and Reform Programme (R-APDRP) scheme was subsumed into IPDS. (iv) Govt. has finalized a loss reduction trajectory for bringing down national AT&C losses from current level of 25% to 15% by 2020 through various state specific measures best suited to respective states (v) to promote efficiency, competition, renewable energy and to improve quality and reliability of power, Govt. has approved amendments in Electricity Act and introduced the same in parliament. The amendments envisage ensuring grid stability, competition in distribution sector, operationalisation of open access, strengthening regulatory commissions, tariff rationalization etc.

On the renewable energy front, Solar capacity increased by 42% in fiscal 2015. Out of planned 25 solar parks with capacity of 1000 MW, already 17 solar parks in 14 states have been approved. Renewable energy global meet held in Feb, 2015 attracted commitments of 273 GW. Green energy corridors are being rolled out with investment of Rs. 38,000 Crore to ensure power evacuation from renewable energy plants.

On the power transmission front, Govt. approved National Smart Grid Mission to bring efficiency in power supply network and reduce losses & outages. The activities under the same include development of smart grid, micro grids, consumer engagement and training & capacity building. Further, about Rs. 1,00,000 Crore of transmission projects are to be bid out in next one year. To have a comprehensive transmission infrastructure, a 20 year transmission plan has been formulated by CEA (Central Electricity Authority) being considered for implementation.

To achieve sustainable development of power sector, Govt. of India set long term targets of 24x7 power for all by 2019, doubling Coal India's production to 100 Crore tonne by 2020, increase power generation by 50% by 2020, increase renewable capacity by more than 5 times to 175 GW by 2022 and energy saving to increase to 10% of current consumption. Given all the above initiatives and targets, the outlook of power sector going forward looks optimistic.

## PERFORMANCE HIGHLIGHTS

During the financial year under review, the total income of the Company has decreased from Rs. 5,519.20 Lakh to Rs. 4,939.62 Lakh showing a decrease of 10.50%. The Profit After Tax also fell from Rs. 2,695.95 Lakh in the previous financial year to 2,170.39 Lakh in the current financial year. The decrease is mainly due to reduction in consultancy fees on transfer of ITPs to Successful bidders from Rs. 1420 Lakh to Rs. 275 Lakh and income from sale of RfQ/RfP from Rs. 905 Lakh to Rs. 60 Lakh which was mainly from sale proceeds of RfQ/RfP of Orissa and Tamilnadu UMPP & ITPs. During the year, the Company has earned other income of Rs. 1208.42 Lakh which includes Interest on deposit of surplus funds with banks amounting to Rs. 1145.60 Lakh and Miscellaneous Income of Rs. 62.82 Lakh.

During the year 2014-15, your Company received 14 assignments including 4 Independent Transmission Projects. The total value of the said assignments is Rs. 98.35 crores.

## OPERATIONAL HIGHLIGHTS

### Consultancy Assignments

Your Company is continuously endeavoring to become a premier consulting organisation in the Power Sector. The Client base includes Public i.e. State/Central owned Power Sector Utilities (SPSUs/CPSUs) as well as Private entities (IPPs), State Electricity Regulatory Commissions and State Governments.

PFCCL has worked on over 93 assignments for 51 Clients spread across 23 States/UTs of India namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Tripura, Telangana, Uttar Pradesh and West Bengal.

During the year under review, a Special Purpose Vehicle by the name "South-Central East Delhi Power Transmission Ltd." was incorporated as a wholly owned subsidiary of PFC Consulting Limited on 18th February, 2015 for the Transmission Project for Package –B (South-Central East) area of Government of Delhi.

### Ultra Mega Power Projects (UMPPs)

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) with a capacity of about 4,000 MW based on supercritical technology (both pit head and imported coal based) in November 2005 with the objective to develop large capacity

power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency for development of these projects. PFC has authorized PFC Consulting Ltd. to undertake the entire work of UMPPs.

So far 16 UMPPs have been identified to be located in the States of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat (two), Jharkhand (two), Karnataka, Madhya Pradesh, Maharashtra, Odisha (three) Tamil Nadu (two) and Uttar Pradesh.

Till date, PFC has incorporated Eighteen (18) Special Purpose Vehicles (SPVs) for the UMPPs. Out of these, Fourteen (14) SPVs were incorporated to undertake preliminary site investigation activities and obtain appropriate regulatory and other approvals (including for water, the environment) necessary to conduct the bidding process for these projects. These SPVs would be eventually transferred to successful bidder(s) selected through a tariff based international competitive bidding process in accordance with the guidelines notified by MoP under section 63 of Electricity Act, 2003. The successful bidders are then expected to develop and implement these projects. Four (4) additional SPVs were incorporated for holding the land for Cheyyur UMPP in Tamil Nadu and for holding the land and coal blocks for Odisha UMPP, Deoghar UMPP in Jharkhand and Bihar UMPP. These SPVs would be transferred to the respective procurers of power from these projects. Out of these Eighteen (18) SPVs, four (4) SPVs have been transferred to successful bidders.

#### **Independent Transmission Projects (ITPs)**

Since the date of last Directors' Report, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for six new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated six (6) SPVs as its wholly owned subsidiaries for these projects as per following details:

SI.No	Project Name	SPV	SPV incorporation
1	Northern Region System Strengthening Scheme - XXXV	Mohindergarh-Bhiwani Transmission Ltd	23.12.2014
2	Additional System Strengthening for Sipat STPS	Sipat Transmission Ltd	23.12.2014
3	Additional System Strengthening Scheme for Chhattisgarh IPPs	Raipur-Rajnandgaon-Warora Transmission Ltd	23.12.2014
4	System strengthening for IPPs in Chhattisgarh and other generation	Chhattisgarh-WR Transmission Ltd	24.12.2014

	projects in Western Region		
5	Common transmission system for Phase-II generation projects in Odisha and immediate evacuation system for OPGC (1320 MW ) project in Odisha	Odisha Generation Phase-II Transmission Ltd.	17.04.2015
6	Addl. Inter-regional AC link for import into southern region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV link	Warora-Kurnool Transmission Ltd.	20.04.2015

PFCCL was also appointed as Bid Process Coordinator for the project related to “creation of new 400 kV GIS substations in Gurgaon and Palwal areas as part of ISTS” by the Ministry of Power on 24<sup>th</sup> July, 2015.

Since the date of last Directors’ Report, the Company has transferred one (01) of its wholly owned subsidiary as per the detail given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	DGEN Transmission Company Ltd.	Instalaciones Inabensa, S.A., Spain	17.03.2015

### **STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS**

Leveraging on the strengths of PFC and its in-depth understanding of key issues in the sector built through the execution of nodal agency roles for key Government of India programs, PFCCL has created a strong niche for itself and is appropriately poised to play a more transformative role in the power sector in the coming years. On the manpower front, PFCCL has experienced and professional regular executives and a panel of reputed experts in the areas of Coal, Forest, Environment and Railways who have retired from Senior level positions in the GoI, CMDs of PSUs and other Apex/ decision-making positions.

In view of the special emphasis being given by the Government to growth in power sector in the Country, numerous opportunities are emerging for PFCCL to tap over like partnering with Government of India in its upcoming programs and schemes.

On limitation front, PFCCL had been focussing on sector-specific consultancy services leading to narrow spectrum of consultancy business. Also, strong competition from big private Consulting Organisations and the growing focus of these consulting companies in energy sector is a threat for PFCCL's growth opportunities.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Department of Public Enterprises. The report on Corporate Governance as stipulated under the DPE Guidelines forms an integral part of this report.

Corporate Governance primarily hinges on transparency, integrity and accountability of the management with major focus on investor protection and public interest. PFCCL believes that the spirit of Corporate Governance lies in adherence of highest standards of transparency, trust & integrity, responsibility & accountability, social responsiveness, ethical business practices and commitment to the organization for sustainable enrichment of value for stakeholders.

### ACKNOWLEDGEMENT

I would like to place on record my sincere thanks to the Board of Directors, Shareholders and valued clients for reposing faith in the Company.

Your Company would not have reached the position where it is today only in its 7<sup>th</sup> year of operation without the unstinted support of a motivated and highly committed workforce of the Company. I take this opportunity to put on record my gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. I am also thankful to the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers and Power Finance Corporation Limited (Holding Company) for their unstinted co-operation and support.

Sd/-  
(M.K.Goel)  
Chairman

**PFC CONSULTING LIMITED**

(A wholly owned subsidiary of Power Finance Corporation Limited)

Regd. Office: First Floor, Urjanidhi, 1-Barakhamba lane, Connaught Place,  
New Delhi – 110001.

**NOTICE**

Notice is hereby given that the Seventh Annual General Meeting of PFC Consulting Limited will be held on **Wednesday, the 16<sup>th</sup> day of September, 2015 at 12.00 Noon** at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi - 110001, to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri M.K.Goel, Chairman, who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India for the Financial Year 2015-16, as may be deemed fit by the Board."

**SPECIAL BUSINESS**

4. **Alteration of Object clause of Memorandum of Association and adoption of new set of Articles of Association of the Company**  
To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of the Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to necessary approval(s), if any, from the competent authorities, approval be and is

hereby accorded for alteration of Clause III of the Main Object of the Memorandum of Association of the Company by adding the new clauses from clause 6 to clause 11 after existing clause 5 as follows:-

6. To act as financial consultants, advisers and counselors in investment and capital markets, to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, to manage portfolio investments, to provide financial and investment assistance for the purpose herein, to syndicate and make financial arrangements for the Projects/enterprises in the areas of power , energy, infrastructure and other industries and to arrange and/or co-ordinate documentation and negotiation for them in this regard.
7. To give advise on or to offer, give, take, circulate and/or otherwise organize, accept or implement any takeover bids, mergers, amalgamations, acquisitions, diversification, rehabilitation or restructuring of any business, concern, undertaking company, body corporate, partnership firm or any other association of persons whether incorporated or not, by acquisition of shares or assets and liabilities, and whether as a going concern or as a part of the concern or otherwise as may be required having regard to business exigencies; and to promote or procure incorporation formation or setting up of concerns and undertakings whether as company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.
8. To identify projects, project ideas, to prepare project profiles, project reports, market research, feasibility studies and reports, pre-investment studies and investigation of industries on micro and macro level; to undertake appropriate service to identify scope or potential for economic and industrial development in any particular geographical area.
9. To act as lead managers in respect of project assignments by undertaking follow-up, supervision and co-ordination work at the instance, behest, or on behalf of banks, financial institutions, companies, bodies corporate and to monitor the same to the participants; to act as an adviser in the management of undertakings, business, enterprises, offices, trade, occupations, calling or professions by introducing modern methods and techniques and systems, and render all assistance as may be necessary including by acting as agents for recruitment of personnel, technical, skilled, unskilled supervisory managerial or otherwise; and to act as an adviser in the selection of technical process, economic size, sources of plant and machinery and other utilities for business entrepreneurs.
10. To advice on restructuring of the operations of a business, evaluation of the business strategy of an enterprise, long term planning or utilization of funds and other resources, to advise and assist in formulating long term financial policies and control of their

execution, and generally to advise and assist in all financial, fiscal and related matters of an enterprise in the areas of power, energy, infrastructure and other industries.

11. To do the business and act as trustee for debentures and other securities and perform other functions like executors, administrators, managers, agents or attorney in this regard."

"RESOLVED FURTHER THAT pursuant to the provisions of the Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval be and is hereby accorded for replacing the heading of sub clause III (B) of the Memorandum of Association from "Objects incidental or ancillary to the attainment of the Main Objects" to "Matters which are necessary for furtherance of the objects specified in clause III (A) are" and for clubbing the other objects specified in the existing clause III (C) with the new clause III(B) of the object clause of the Memorandum of Association."

"RESOLVED FURTHER THAT pursuant to the provisions of the Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft Articles of Association containing regulations reflecting the corresponding changes in section and clause references under Companies Act, 2013, submitted to this meeting be and is hereby read, approved and adopted."

"RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary, proper or expedient in this regard including filing of the requisite forms with the Registrar of Companies, NCT of Delhi & Haryana."

By order of the Board of Directors  
For PFC Consulting Limited

  
(Rachna Gupta Singh)  
Company Secretary

Date: 18.08.2015

Place: New Delhi

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. The relevant details as required under Secretarial Standards of person seeking re-appointment of Director under item No. 2 of the Notice is also annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting. Blank proxy form is enclosed. Proxy so appointed shall not have any right to speak at the meeting.
3. Pursuant to Section 139(5) of Companies Act, 2013 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) within a period of 180 days from the commencement of the financial year and in terms of section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting. The members may authorize the Board of Directors of the Company to fix an appropriate remuneration of auditors appointed by the Comptroller and Auditor General of India for the financial year 2015-16.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

The Board of Directors of PFCCL in their 40<sup>th</sup> meeting held on 18<sup>th</sup> May, 2015 accorded in-principle approval for the proposed merger of PFC Capital Advisory Services Limited with PFC Consulting Limited subject to the approval of Ministry of Power-Government of India, Power Finance Corporation Limited, the Holding Company, and such other approvals as may be required under various applicable laws."

Keeping in view of the above, it was considered desirable that the object clause of Memorandum of Association (MOA) of PFCCL should be altered to include the main objects of PFCCAS.

Further, the Company was incorporated under the provisions of the Companies Act, 1956 (The Old Act) and its Memorandum and Articles of Association were prepared according to the said act. The object clause in Memorandum of Association (MoA) was divided into three categories namely Main Objects, Objects incidental or ancillary to the attainment of the Main Objects and Other Objects and the Articles of Association (AoA) contains references to specific sections of Companies Act, 1956.

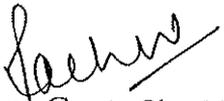
The Companies Act, 2013 (The New Act) largely come into force from 1st April, 2014. As per the provisions of Section 4 of the Companies Act 2013, the Memorandum of a Company shall state "the objects for which the Company is proposed to be incorporated and any matter considered necessary for furtherance thereof" and also some regulations in the existing AoA are no longer in conformity with the new act. With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles.

In view of the above, it is considered expedient to align the Memorandum and Articles in accordance with the provisions of Companies Act, 2013.

Your Directors recommend the special resolution as contained in Item No. 4 of the Notice for approval of the members.

None of the Directors of the Company is in anyway concerned/ interested in the proposed resolution.

By order of the Board of Directors  
For PFC Consulting Limited

  
(Rachna Gupta Singh)  
Company Secretary

Date: 18.08.2015

Place: New Delhi

Brief Resume of Director seeking re-appointment at the forthcoming Annual General Meeting of PFC Consulting Limited.

<b>Name of Director</b>	<b>Shri Mukesh Kumar Goel</b>
<b>Date of Birth</b>	17/09/1956
<b>Date of Appointment</b>	25.03.2008
<b>Relationship with Directors</b>	None
<b>Qualification</b>	B. Tech (Electrical)
<b>Experience</b>	Shri Mukesh Kumar Goel has 35 years of varied Power sector experience in premier Central PSUs. He has more than 26 years experience of financing power sector with over 8 years of board level experience. He also has over 9 years power generation experience in NHPC.
<b>Directorships in other companies</b>	<ul style="list-style-type: none"> <li>• Power Finance Corporation Limited</li> <li>• PFC Green Energy Limited</li> <li>• PFC Capital Advisory Services Limited</li> </ul>
<b>Chairman/Membership of Committees across all public companies*</b>	<ul style="list-style-type: none"> <li>• Audit Committee – PFC Green Energy Limited</li> </ul>
<b>Number of Shares held in the company as on 31<sup>st</sup> March 2015</b>	NIL

\*Only the Chairmanship/Membership of Audit Committee and Stakeholder Relationship & Shareholder/ Investor Grievance Committee.

**PFC CONSULTING LIMITED**

CIN U74140DL2008GOI175858

Regd. Office : First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi -110001

**ATTENDANCE SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the company.

NAME OF ATTENDING PERSON  
(IN BLOCK LETTERS)

Regd. Folio No.

No. of shares held

I, HEREBY RECORD MY PRESENCE AT THE 7<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON WEDNESDAY, THE 16<sup>TH</sup> DAY OF SEPTEMBER, 2015 AT 12.00 NOON AT "URJANIDHI", 1- BARAKHAMBHA LANE, CONNAUGHT PLACE, NEW DELHI - 110001.

Please ✓ in the box

MEMBER

PROXY

\_\_\_\_\_  
Member's / Proxy's Signature

**PFC CONSULTING LIMITED**

CIN U74140DL2008GOI175858

Regd. Office : First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi -110001

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013  
and rule 19(3) of the Companies(Management and Administration) Rules, 2014]

NAME OF THE MEMBER (S) :  
REGISTERED ADDRESS :  
E-MAIL ID :  
FOLIO NO/ CLIENT ID :  
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him

2. Name : .....  
Address:  
E-mail Id :  
Signature:....., or failing him

3. Name : .....  
Address:  
E-mail Id:  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 16<sup>th</sup> day of September, 2015 at 12.00 Noon at Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution No.**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri M.K.Goel, Chairman, who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013.
4. Alteration of Object clause of Memorandum of Association and adoption of new set of Articles of Association of the Company.

Signed this..... day of..... 2015

Signature of shareholder



Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# **PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

## **DIRECTORS' REPORT 2014-2015**

To  
The Members,

The Directors of your Company have pleasure in presenting the 7<sup>th</sup> Annual Report on the performance of your Company for the financial year 2014-15 together with Audited Statements of Accounts and Auditors Report thereon for the financial year ended 31<sup>st</sup> March, 2015.

### **FINANCIAL HIGHLIGHTS**

(Figures in Rs. Lakh)

Sl. No.	Particulars	2014-15	2013-14	% Change
1.	Total Income	4,939.62	5,519.20	10.50 ↓
2.	Total Expenditure	1,606.55	1,433.70	12.06 ↑
3.	Profit Before Tax and Extraordinary Items	3,333.07	4,085.50	18.42 ↓
4.	Extraordinary Items	--	--	---
5.	Profit Before Tax	3,333.07	4,085.50	18.42 ↓
6.	Provision for Tax			
	- Current Tax	1,151.40	1,389.72	---
	- Deferred Tax	11.28	(0.17)	---
7.	Profit After Tax	2,170.39	2,695.95	19.49 ↓
8.	Profit brought forward from previous years	12,933.21	10,237.26	---
9.	Accumulated Profit carried to Balance Sheet	15,103.14	12,933.21	---

### **FINANCIAL PERFORMANCE**

#### **i) Revenue**

During the financial year under review, the Total Income of the Company has decreased from Rs. 5,519.20 Lakh to Rs. 4,939.62 Lakh showing a decrease of 10.50%. The decrease is mainly due to reduction in consultancy fees on transfer of ITPs to Successful bidders from Rs. 1420 Lakh to Rs. 275 Lakh and income from sale of RfQ/RfP from Rs. 905 Lakh to Rs. 60 Lakh which was mainly from sale proceeds of RfQ/RfP of Orissa and Tamilnadu UMPP &

ITPs. However income from consultancy assignments other than from consultancy fee on transfer of SPVs & ITPs and sale of RfQ/ RfP increased from Rs. 800 Lakh to Rs. 2126 Lakh (166%). The increase in consultancy income is mainly contributed by new assignments of WBSEDCL, MPMKVVCL, MeECL etc.

During the year, the Company has earned Other Income of Rs. 1208.42 Lakh which includes Interest on deposit of surplus funds with banks amounting to Rs. 1145.60 Lakh and Miscellaneous Income of Rs. 62.82 Lakh.

ii) Expenses

During the financial year 2014-15, the Company incurred Total Expenditure of Rs. 1,606.55 Lakh as against the Total Expenditure of Rs. 1,433.70 Lakh incurred last year showing an increase of 12.06 %.

iii) Profit

During the financial year 2014-15, your company earned Profit Before Tax of Rs. 3,333.07 Lakh as compared to Rs. 4,085.50 Lakh for the financial year 2013-14 showing a decrease of 18.42 %. The Profit After Tax also fell from Rs. 2,695.95 Lakh in the previous financial year to 2,170.39 Lakh in the current financial year.

iv) Dividend

To conserve the resources for the business of the Company, your Directors have decided not to declare any dividend for the financial year 2014-15 and to carry forward the profits to the Reserves and Surplus of the Company.

v) Share Capital

The paid-up share capital of the Company is Rs. 5,00,000/- (Rupees Five Lakh only) comprising of 50,000 equity shares of Rs 10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

OPERATIONAL HIGHLIGHTS

Your company has been established to provide Consultancy Services in Power Sector including development of UMPPs and ITPs. The operational highlights of PFCCL in chronological order are as follows:

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1. PFCCL received a new assignment for providing Consultancy Services to MeECL in implementation of Reforms & Restructuring in June 2014.
2. PFCCL received a new assignment for providing Consultancy Services for the long term Kerala tender of 450 MW on DBFOO basis in July 2014.
3. PFCCL was appointed as Bid Process Coordinator for the following ITPs by the Ministry of Power on 9<sup>th</sup> July, 2014:
  - i. Additional System Strengthening for Sipat STPS
  - ii. Northern Region System Strengthening Scheme - XXXV
  - iii. Additional System Strengthening Scheme for Chhattisgarh IPPs
  - iv. System strengthening for IPPs in Chhattisgarh and other generation projects in Western Region

SPVs were incorporated for each of the above projects and bidding processes were initiated. RfQ stage for the above four projects was completed, and the bidding process for these projects is in the RFP stage.

4. PFCCL received a new assignment for providing Consultancy Services for preparation of DPR for extension of unit at Singreni Thermal Power Project in August 2014.
5. Request for Proposal (RfP) for "Selection of Developer for 2x660 MW Patratu Thermal Plant at Patratu, Ramgarh District, Jharkhand" was issued in September, 2014.
6. PFCCL received a new assignment for providing Consultancy Services for Procurement of 2400 MW power for State of Andhra Pradesh in September 2014.
7. Request for Qualification (RfQ) for "Procurement of Electricity of 2400 MW on long term basis from Power Station(s) set up on Design, Build, Finance, Own and Operate (DBFOO) basis operating on CIL linkage coal and supplemented by Imported Coal" was issued in September, 2014 for APSPDCL.
8. PFCCL has been appointed as a Bid Process Coordinator for Package B: South-Central East area, Delhi in October 2014.
9. PFCCL received a new assignment for providing Consultancy Services to assist and arrange refinancing/ restructuring of existing loans/ bonds burden of MeECL and subsidiaries and raising fresh borrowings in October 2014.



10. Bidding process for Associated Transmission System for Tanda Expansion TPS (2X660 MW) was re-initiated in October 2014. RFQ stage for the project was completed, and the bidding process is in the RFP stage.
11. PFCCL received a new assignment for providing consultancy services for preparation of DPR for Underground Cabling Work (LT, 11 KV & 33 KV) in Vishakhapatnam City of AP in December 2014.
12. PFCCL received a new assignment for providing assistance for implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) under 8 Districts of Gwalior Region of MPMKVVCL, Bhopal in January 2015.
13. PFCCL received a new assignment for providing assistance for implementation of Integrated Power Development Scheme (IPDS) under 8 Districts of Gwalior Region of MPMKVVCL in January 2015.
14. Request for Proposal (RFP) for "Procurement of Electricity of 2400 MW on long term basis from Power Station(s) set up on Design, Build, Finance, Own and Operate (DBFOO) basis operating on CIL linkage coal and supplemented by Imported Coal" was issued in January, 2015 by APSPDCL.
15. PFCCL received a new assignment for providing assistance for preparation of DPR and Project Management Agency (PMA) services for Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) under WBSEDCL in ten nos. of district of West Bengal in February 2015.
16. The IPDS DPRs for all 10 Districts of West Bengal under the scope of PFCCL had been submitted / uploaded on the IPDS web portal of Ministry of Power (MoP) for approval in the months of February / March 2015. The DPRs for 2 Districts out of the 10 Districts have already been approved by the Monitoring Committee of MoP in the month of February 2015.
17. PFCCL was appointed as Bid Process Coordinator for the following ITPs by the Ministry of Power on 6<sup>th</sup> February, 2015:
  - i. Addl. Inter-regional AC link for import into southern region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV link
  - ii. Common transmission system for Phase-II generation projects in Odisha and immediate evacuation system for OPGC (1320 MW ) project in Odisha

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SPVs were incorporated for each of the above projects and bidding processes were initiated. RFQ responses have been received for the above two projects, and the responses are presently under evaluation.

18. DGEN Transmission Company Limited, an ITP SPV, was transferred to M/s Instalaciones Inabensa, S.A., Spain, identified through competitive bid process on 17<sup>th</sup> March 2015.
19. PFCCL received a new assignment for providing assistance to Govt. of Arunachal Pradesh to enable the State Government to decide on options from funding of equity in Hydro Electric Projects in April 2015.
20. PFCCL received a new assignment for providing assistance to MECON for Transaction advisory services for Joint Venture (JV) formation between Government of Jharkhand and NTPC Ltd. for Patratu Thermal Power Station (PTPS) in April 2015.
21. IPDS DPRs for all 8 Districts of Madhya Pradesh under the scope of PFCCL has been submitted/uploaded on the IPDS web portal of Ministry of Power (MoP) for approval in the month of May, 2015.
22. DDUGJY DPRs for all 8 Districts of Madhya Pradesh under the scope of PFCCL has been submitted/uploaded on the DDUGJY web portal of Ministry of Power (MoP) for approval in the month of May, 2015.
23. PFCCL has been appointed as the review consultant for reviewing the techno commercial and legal conditions of bid documents for setting up of 1X660 MW Thermal Power Project at Panki, Kanpur (UP) in May 2015.
24. DDUGJY DPRs for all the 10 Districts of West Bengal under the scope of PFCCL has been submitted / uploaded on the DDUGJY web portal of Ministry of Power (MoP) for approval in the month of May / June 2015.
25. PFCCL was appointed as Bid Process Coordinator for the project related to “creation of new 400 kV GIS substations in Gurgaon and Palwal areas as part of ISTS” by the Ministry of Power on 24<sup>th</sup> July, 2015.
26. Letter of Intent issued for the following ITPs to the successful bidder, ‘Adani Power Ltd.’ on 28<sup>th</sup> July, 2015
  - i) Additional System Strengthening for Sipat STPS
  - ii) Additional System Strengthening Scheme for Chhattisgarh IPPs



iii) System strengthening for IPPs in Chhattisgarh and other generation projects in Western Region

27. In addition to above, PFCCL is assisting the Ministry of Power (MoP) and the Expert Committee constituted by MoP in examining the Model Bidding Documents (MBDs) as well as the erstwhile Standard Bidding Documents (SBDs) documents and revising the same. The Expert Committee has submitted its first report and revised SBDs for Ultra Mega Power Projects based on allocated domestic coal blocks and the SBDs for other projects are being prepared by the Committee

### ULTRA MEGA POWER PROJECTS (UMPPs)

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) with a capacity of about 4,000 MW based on supercritical technology (both pit head and imported coal based) in November 2005 with the objective to develop large capacity power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency for development of these projects. PFC has authorized PFC Consulting Ltd. to undertake the entire work of UMPPs.

These UMPPs involve economies of scale based on large generation capacities based at a single location, utilize super critical technology which have higher efficiencies and lower emissions, and potentially have lower tariff costs for electricity generated as a result of these factors and also as a result of the tariff being based on international competitive bidding processes adopted for the selection of developers.

CEA is the technical partner for development of these UMPPs while MoP is involved as a facilitator.

So far Sixteen (16) UMPPs have been identified to be located in the States of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat (two), Jharkhand (two), Karnataka, Madhya Pradesh, Maharashtra, Odisha (three), Tamil Nadu (two) and Uttar Pradesh.

Till date, PFC has incorporated Eighteen (18) Special Purpose Vehicles (SPVs) for the UMPPs. Out of these, Fourteen (14) SPVs were incorporated to undertake preliminary site investigation activities and obtain appropriate regulatory and other approvals (including for water, the environment) necessary to conduct the bidding process for these projects. These SPVs would be eventually transferred to successful bidder(s) selected through a tariff based international competitive bidding process in accordance with the guidelines notified by MoP under section 63 of Electricity Act, 2003. The successful bidders are then expected to develop and implement these projects. Four (4) additional SPVs were incorporated for holding the land for Cheyyur UMPP in Tamil Nadu and for holding the

land and coal blocks for Odisha UMPP, Deoghar UMPP in Jharkhand and Bihar UMPP. These SPVs would be transferred to the respective procurers of power from these projects.

Out of these Eighteen (18) SPVs, four (4) SPVs have been transferred to successful bidders. Further, Government of Andhra Pradesh has decided not to proceed further with the 2nd UMPP in Andhra Pradesh and in view of the same it has been decided by the Ministry of Power for the closure of the project. Action has been initiated to wind up the SPV / strike off name of SPV from the records of Registrar of Companies (ROC).

The Bidding process for selection of Concessionaire for Odisha and Cheyyur UMPPs, which was initiated in September 2013 under the Model Bidding Documents, was terminated due to poor response from bidders. In order to re-instill the confidence amongst the various stakeholders including the developers, procurers and the lenders and to encourage greater competition, the MoP constituted an Expert Committee vide its Order No. 23/27/2014 – R&R dated 14 January 2015, for an examination of the provisions of the MBDs as well as the erstwhile SBDs. Bidding process for these two UMPPs would commence after the Standard Bidding Documents are revised and notified by MoP. PFC is in the process of conducting site studies and obtaining applicable regulatory and other clearances with respect to the rest of the UMPPs.

#### UMPPs in Progress

Sl. No.	UMPP	Type
1.	Orissa Integrated Power Ltd., Sundergarh UMPP, Odisha	Domestic Coal Based
2.	Chhattisgarh Surguja Power Ltd., Chhattisgarh UMPP	Domestic Coal Based
3.	Sakhigopal Integrated Power Company Ltd., Odisha 1 <sup>st</sup> Additional UMPP	Domestic Coal Based
4.	Ghogarpalli Integrated Power Company Ltd., Odisha 2 <sup>nd</sup> Additional UMPP	Domestic Coal Based
5.	Deoghar Mega Power Ltd., Jharkhand 2 <sup>nd</sup> UMPP	Domestic Coal Based
6.	Bihar Mega Power Ltd., Bihar UMPP	Domestic Coal Based
7.	Uttar Pradesh UMPP	Domestic Coal Based
8.	Coastal Tamil Nadu Power Ltd., Cheyyur UMPP, Tamil Nadu	Imported Coal Based
9.	Coastal Maharashtra Mega Power Ltd., Maharashtra UMPP	Imported Coal Based
10.	Coastal Karnataka Power Ltd., Karnataka UMPP	Imported Coal Based

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11.	Gujarat 2 <sup>nd</sup> UMPP	Imported Coal Based
12.	Tamil Nadu 2 <sup>nd</sup> UMPP	Imported Coal Based

### INDEPENDENT TRANSMISSION PROJECTS (ITPs)

In addition to UMPPs, Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission System with an objective to promote competitive procurement of transmission services and encourage private investments in transmission lines.

Ministry of Power appoints a Bid Process Coordinator (BPC) for each such transmission project. The BPC undertakes preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required and bidding process for selection of the developer for the project.

Till date, 18 (eighteen) Special Purpose Vehicles (SPVs), 2 (two) by PFC and other 16 (sixteen) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 18 (eighteen) SPVs, Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010 and 8 (eight) SPVs were transferred to the successful bidders till 31<sup>st</sup> March, 2014. During the year 2014-15 PFCCL has transferred DGEN Transmission Company Limited to the successful bidder Instalaciones Inabensa, S.A., Spain.

During the year bidding process for Tanda Transmission Company Limited (TTCL) for the transmission project "ATS for Tanda Expansion TPS (2X660 MW)" was re-initiated in October 2014.

Since the date of last Directors' Report, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for six new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated six (6) SPVs as its wholly owned subsidiaries for these projects as per following details:

Sl.No	Project Name	SPV	SPV incorporation
1	Northern Region System Strengthening Scheme - XXXV	Mohindergarh-Bhiwani Transmission Ltd	23.12.2014

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2	Additional System Strengthening for Sipat STPS	Sipat Transmission Ltd	23.12.2014
3	Additional System Strengthening Scheme for Chhattisgarh IPPs	Raipur-Rajnandgaon-Warora Transmission Ltd	23.12.2014
4	System strengthening for IPPs in Chhattisgarh and other generation projects in Western Region	Chhattisgarh-WR Transmission Ltd	24.12.2014
5	Common transmission system for Phase-II generation projects in Odisha and immediate evacuation system for OPGC (1320 MW ) project in Odisha	Odisha Generation Phase-II Transmission Ltd.	17.04.2015
6	Addl. Inter-regional AC link for import into southern region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765kV link	Warora-Kurnool Transmission Ltd.	20.04.2015

Bidding process is underway for the above projects and is likely to be completed in this financial year.

The bidding process for the Ballabgarh-GN Transmission Company Limited (BGNTCL), SPV for the transmission project "Northern Region System Strengthening Scheme - XXXIII" is kept in abeyance on the advise of CEA due to issues related to dispute in the PPA between NPCL and Essar Power (Jharkhand) in case of BGNTCL.

For the Independent Transmission Project - Transmission System associated with IPPs of Nagapattinam/Cuddalore Area- Package C (Madhugiri-Narendra 765kV D/c line, Kolhapur-Padghe 765kV D/c line (one ckt. via Pune), the Empowered Committee in its 31<sup>st</sup> meeting recommended de-notification of the scheme as the elements of the scheme has either been deleted or merged with some other transmission scheme. Ministry of Power is to de-notify the scheme.

#### CLIENT BASE

Your company is on its path to become a premier consulting organisation in the Power Sector. The client base includes Public i.e. State/Central Owned Power Sector Utilities (SPSUs/CPSUs) as well as Private entities (IPPs), State Electricity Regulatory Commissions and State Governments. The profile of clients to whom PFCCL has rendered its services are as follows:

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Clients	No.
States Utilities	27
Licensees/ IPPs	8
Public Sector Undertakings	7
State Governments	5
Regulatory Commissions	3
Central Govt. Departments/Ministries	1
<b>Total</b>	<b>51</b>

PFCCL has worked on over 93 assignments for 51 Clients spread across 23 States/UTs of India namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Tripura, Telangana, Uttar Pradesh and West Bengal.

During the year under review, a Special Purpose Vehicle by the name "South-Central East Delhi Power Transmission Ltd." was incorporated as a wholly owned subsidiary of PFC Consulting Limited on 18th February, 2015 for the Transmission Project for Package –B (South-Central East) area of Government of Delhi.

## SUBSIDIARIES

### Incorporation of Subsidiary

Since the date of last Directors' Report, following seven (07) new companies were incorporated as wholly owned subsidiaries of the Company:

- (i) Mohindergarh-Bhiwani Transmission Limited (MBTL) for the transmission project "Northern Region System Strengthening Scheme -XXXV"
- (ii) Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL), for the transmission project "Additional System Strengthening Scheme for Chhattisgarh IPPs (Part-B)"
- (iii) Sipat Transmission Limited (STL) for the transmission project "Additional System Strengthening for Sipat STPS"
- (iv) Chhattisgarh-WR Transmission Limited (CWRTL) for the transmission project "System strengthening for IPPs in Chhattisgarh and other generation projects in Western Region"

- (v) South-Central East Delhi Power Transmission Limited (SCEDPTL) for the transmission project "Package –B (South-Central East)"
- (vi) Warora-Kurnool Transmission Limited (WKTL) for the transmission project "Additional inter-Regional AC link for import into Southern Region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765 kV link"
- (vii) Odisha Generation Phase-II Transmission Limited (OGPTL) for the transmission project "Common Transmission System for Phase-II Generation Projects in Odisha and Immediate Evacuation System for OPGC (1320 MW) Project in Odisha"

**Transfer of Subsidiaries**

Since the date of last Directors' Report, the Company has transferred one (01) of its wholly owned subsidiary as per the detail given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	DGEN Transmission Company Ltd.	Instalaciones Inabensa, S.A., Spain	17.03.2015

As on date, Company is having nine (9) wholly owned subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company in Form AOC-1.

Further, in accordance with provisions of section 136 of the Companies Act 2013, the financial statements of the Company and separate audited accounts in respect of subsidiaries are available on the website of the Company.

**MERGER OF PFC CAPITAL ADVISORY SERVICES LTD. (PFCCAS) WITH PFC CONSULTING LTD.**

The Board of Directors of your Company in their 40<sup>th</sup> meeting held on 18<sup>th</sup> May 2015, accorded In-Principle approval for the merger of PFC Capital Advisory Services Ltd., a wholly owned subsidiary of Power Finance Corporation Ltd., with the Company subject to approval of Ministry of Power, Government of India, Power Finance Corporation Limited, the Holding Company, and such other approvals as may be required under various

applicable laws. The Board of Directors of PFC also accorded its approval for the proposed merger of PFCCAS with PFCCL. The process of merger is underway.

### JOINT VENTURES AND ASSOCIATE COMPANIES

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

### DIRECTORS

Presently the Board of Directors of the Company comprises of the following:

1. Shri M. K. Goel : Chairman / CMD, PFC
2. Shri R. Nagarajan : Director / Director (Finance), PFC
3. Shri A.K. Agarwal : Director/ Director (Projects), PFC

In accordance with provisions of section 152(6) of the Companies Act, 2013, Shri M.K.Goel, Chairman shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

### MEETINGS OF BOARD OF DIRECTORS

Nine (9) Board meetings were held during the financial year 2014-15, as against the minimum requirement of four meetings. The details of Board meetings and the attendance of Directors in said meetings are given below:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1	15 <sup>th</sup> May, 2014	03	03
2	28 <sup>th</sup> July, 2014	03	03
3	22 <sup>nd</sup> August, 2014	03	03
4	16 <sup>th</sup> September, 2014	03	03
5	14 <sup>th</sup> October, 2014	03	03
6	8 <sup>th</sup> December, 2014	03	03

7	16 <sup>th</sup> December, 2014	03	03
8	23 <sup>rd</sup> February, 2015	03	03
9	28 <sup>th</sup> March, 2015	03	03

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF BOARD OF DIRECTORS

The CSR Committee of the Board of Directors comprises of Shri M.K.Goel, Chairman, Shri R. Nagarajan, Member and Shri A.K.Agarwal, Member. The CSR Committee of Directors met two times during the year 2014-15.

### HUMAN RESOURCES DEVELOPMENT

The management lays increasing emphasis on Human Resources Development. The employees being the main asset of the Company were continuously trained to keep pace with the fast changing environment by continuously assessing their training needs.

### AUDITOR'S REPORT

M/s. Serva Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2014-2015 by the Comptroller & Auditor General of India. There are no adverse comments, observation or reservation in the Auditor's Report on the accounts of the Company.

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA

C&AG vide their letter dated 31<sup>st</sup> July, 2015 has given the comments on the accounts of the Company for the year ended 31<sup>st</sup> March, 2015. A copy of the letter issued by C&AG in this regard is placed at **Annexure -I**.

The comments of C&AG along with the Management Reply on the same is furnished below:

Sr. No.	CAG Comments	Management Reply
1	Statement of Profit & Loss	PFC Consulting Ltd. (PFCCL) has been appointed as Bid Process



<p><b>Revenue from Operations (Note No.16) – Rs.3731.20 Lakh</b></p> <p><b>Other Operating Income- Rs.60.00 Lakh</b></p> <p>The above includes an amount of Rs.30 lakh received by the company in the capacity of Bid Process Coordinator towards sale proceeds of Request for Proposal documents which should have been deposited directly in the accounts of Special Purpose Vehicle as per Standard Bidding Documents (SBD) approved by the Ministry of Power. Non-compliance of the provisions of SBD has resulted in overstatement of 'Other Operating Income' (Note No.16) as well as 'profit' and understatement of 'Other Current Liabilities' (note No.6) by Rs.30 lakh.</p>	<p>Coordinator by Ministry of Power (MoP) for five Independent Transmission Projects (ITPs) and the same had been notified in the official Gazette. The standard Bidding Documents (SBD) has prescribed to collect RFP sale proceeds in favour of Special Purpose Vehicle.</p> <p>In the Financial Year 2014-15, the sale proceeds of Request for Proposal (RFP) documents have been deposited directly in the accounts of Special Purpose vehicle as per provisions of Standard Bidding Documents (SBD) as approved by the Ministry of Power. Since the bidding documents of the project has been developed by PFCCL, the proceeds received on account of sale of RFP has been paid by SPV to PFCCL against their claim. Accordingly, PFC Consulting Ltd has taken the same as other operating income in its books of accounts.</p> <p>In light of the above, there is no Non-compliance of the provisions of SBD and there is no overstatement of 'Other Operating Income' (Note No.16) as well as 'profit' and understatement of 'Other Current Liabilities' (note No.6) by Rs.30 lakh.</p>
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## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of Annual Accounts for the financial year 2014-15, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profits of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MEMORANDUM OF UNDERSTANDING (MoU)

In line with the Guidelines of Department of Public Enterprises (DPE) on Memorandum of Understanding (MoU) for FY 2015-16, your Company has signed a MoU with Power Finance Corporation Limited, the Holding Company for the financial year 2015-16 on 31<sup>st</sup> March, 2015.

## OFFICIAL LANGUAGE

The use of Hindi in Company's official work was emphasized.

## PUBLIC DEPOSITS

The Company has not accepted any fixed deposit during the year ended 31<sup>st</sup> March, 2015 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

**PARTICULARS OF EMPLOYEES**

The Company is a wholly owned subsidiary of PFC and all the employees working for the Company are the employees of PFC. However, presently all payments related to the employees working for the Company are being made directly by the Company.

No employee in the Company has received remuneration equal to or exceeding the limits prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, no statement containing details of employees is required to be attached.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure II** in Form AOC-2 and the same forms part of this report.

**PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE**

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to the provisions under section 92 (3) of Companies Act 2013, extract of Annual Return is given in **Annexure – III** in the prescribed Form MGT-9, which forms part of this report.

**CORPORATE SOCIAL RESPONSIBILITY**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in

Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

### RISK MANAGEMENT

The Company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks. The company is also in the process of developing a structured framework namely Risk Management Policy, which would further improve the risk identification and mitigation process of the company. The framework is being designed in a manner to provide for risk identification, recording, monitoring, reporting, reviewing and mitigation etc.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Department of Public Enterprises. The report on Corporate Governance as stipulated under the DPE Guidelines forms an integral part of this report.

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under DPE Guidelines, is presented in a separate section forming part of the Annual Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As the Company's operations do not involve any manufacturing or processing activities, there are no significant particulars relating to conservation of energy, technology absorption, under the Companies (Accounts) Rule, 2014.

The particulars as required under the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption has been furnished in Annexure V.

### ACKNOWLEDGEMENT

The Directors put on record their gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. The Company, in particular, is thankful to

the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers, Power Finance Corporation Limited and the employees for their unstinted co-operation.

For and on behalf of the Board of Directors



(M.K.Goel)  
Chairman

Place: New Delhi  
Date: 18.08.2015



ANNEXURE - 1

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PFC CONSULTING LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of PFC Consulting Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of PFC Consulting Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related Audit Report:

**Statement of Profit & Loss**

**Revenue from Operations (Note No.16) – ₹3731.20 lakh**

**Other Operating Income – ₹60.00 lakh**

The above includes an amount of ₹ 30 lakh received by the Company in the capacity of Bid Process Coordinator towards sale proceeds of Request for Proposal documents which should have been deposited directly in the accounts of Special Purpose Vehicle as per Standard Bidding Documents (SBD) approved by the Ministry of Power. Non-compliance of the provisions of SBD has resulted in overstatement of 'Other Operating Income' (Note No.16) as well as 'Profit' and understatement of 'Other Current Liabilities' (Note No.6) by ₹ 30 lakh.

For and on the behalf of the  
Comptroller & Auditor General of India

*Tanuja Mittal*  
(Tanuja S. Mittal)

Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board – III,  
New Delhi

Place: New Delhi  
Date: 3/ July 2015

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**  
PFC Consulting Limited (PFCCL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of relationship:

- |  |                                     |
|--|-------------------------------------|
| 1) Power Finance Corporation Limited                   | : Holding Company                   |
| 2) Tanda Transmission Co. Ltd.                         | : Subsidiary Company                |
| 3) Ballabgarh-GN Transmission Co. Ltd.                 | : Subsidiary Company                |
| 4) Sipat Transmission Ltd.                             | : Subsidiary Company                |
| 5) Mohindergarh-Bhiwani Transmission Ltd               | : Subsidiary Company                |
| 6) Raipur-Rajnandgaon-Warora<br>Transmission Ltd.      | : Subsidiary Company                |
| 7) Chhattisgarh-WR Transmission Ltd.                   | : Subsidiary Company                |
| 8) South-Central East Delhi Power<br>Transmission Ltd. | : Subsidiary Company                |
| 9) Orissa Integrated Power Ltd.                        | : Subsidiary of the Holding Company |
| 10) Coastal Tamil Nadu Power Ltd.                      | : Subsidiary of the Holding Company |
| 11) Chhattisgarh Surguja Power Ltd.                    | : Subsidiary of the Holding Company |
| 12) Deoghar Mega Power Ltd.                            | : Subsidiary of the Holding Company |
| 13) Coastal Maharashtra Mega Power Ltd.                | : Subsidiary of the Holding Company |
| 14) Cheyyur Infra Ltd.                                 | : Subsidiary of the Holding Company |
| 15) Odisha Infrapower Ltd.                             | : Subsidiary of the Holding Company |
| 16) Tatiya Andhra Mega Power Ltd.                      | : Subsidiary of the Holding Company |
| 17) Sakhigopal Integrated Power Co. Ltd.               | : Subsidiary of the Holding Company |
| 18) Ghogarpalli Inegrated Power Co. Ltd.               | : Subsidiary of the Holding Company |
| 19) Coastal Karnataka Power Ltd.                       | : Subsidiary of the Holding Company |

(b) Nature of contracts/arrangements/transactions: Consultancy services by employees

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Cost of Employees working for developing ultra mega power projects and independent transmission projects are charged on cost to company basis/rate, as determined by the company in proportion to the man days( as assessed by the management) spent on the respective projects.

(e) Date(s) of approval by the Board, if any: -

(f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors



(M.K. Goel)  
Chairman



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2015**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies(Management and Administration) Rules, 2014]

i)	CIN:	U74140DL2008GOI175858																					
ii)	Registration Date [DDMMYY]	25.03.2008																					
iii)	Name of the Company	PFC Consulting Limited																					
iv)	<b>Category of the Company</b> [Pl. tick]	1. Public Company <input checked="" type="checkbox"/> 2. Private Company																					
	<b>Sub Category of the Company</b> [ Please tick whichever are applicable]	<table border="1"> <tr><td>1. Government Company</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td>-</td></tr> <tr><td>3. One Person Company</td><td>-</td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td>-</td></tr> <tr><td>5. NBFC</td><td>-</td></tr> <tr><td>6. Guarantee Company</td><td>-</td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td>-</td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td>-</td></tr> <tr><td>11. Company Registered under Section 8</td><td>-</td></tr> </table>	1. Government Company	<input checked="" type="checkbox"/>	2. Small Company	-	3. One Person Company	-	4. Subsidiary of Foreign Company	-	5. NBFC	-	6. Guarantee Company	-	7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company	-	9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital	-	11. Company Registered under Section 8
1. Government Company	<input checked="" type="checkbox"/>																						
2. Small Company	-																						
3. One Person Company	-																						
4. Subsidiary of Foreign Company	-																						
5. NBFC	-																						
6. Guarantee Company	-																						
7. Limited by shares	<input checked="" type="checkbox"/>																						
8. Unlimited Company	-																						
9. Company having share capital	<input checked="" type="checkbox"/>																						
10. Company not having share capital	-																						
11. Company Registered under Section 8	-																						
v)	Address	First Floor 'Urjanidhi' 1 Barakhamba Lane Connaught Place New Delhi 110001																					
vi)	Whether shares listed on recognized Stock Exchange(s)	No																					
vii)	Name and Address of Registrar & Transfer Agents (RTA ):- Full address and contact details to be given.: N.A.																						

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Consultancy Services	702	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	Power Finance Corporation Limited 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	L65910DL1986GOI024862	Holding Company	100	2(46)
2	Ballabgarh-GN Transmission Company Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U74999DL2013GOI257470	Subsidiary Company	100	2(87)
3	Tanda Transmission Company Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U74999DL2013GOI257471	Subsidiary Company	100	2(87)
4.	Sipat Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2014GOI274541	Subsidiary Company	100	2(87)
5.	Raipur-Rajnandgaon-Warora Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2014GOI274544	Subsidiary Company	100	2(87)
6.	Mohindergarh-Bhiwani Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40106DL2014GOI274558	Subsidiary Company	100	2(87)

7.	Chhattisgarh-WR Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40105DL2014GOI274570	Subsidiary Company	100	2(87)
8.	South-Cental East Delhi Power Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40109DL2015GOI276863	Subsidiary Company	100	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual*	0	700	700	1.4	0	700	700	1.4	0.00
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	49300	49300	98.6	0	49300	49300	98.6	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (1)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a)NRIs-Individuals	0	0	0	0	0	0	0	0	0
b)Other-Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Total shareholding of Promoter (A)= (A)(1) + (A)(2)	0	50000	50000	100	0	50000	50000	100	0.00
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>								
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0

c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50,000	50,000	100.00	0	50,000	50,000	100.00	

\* NOMINEE OF POWER FINANCE CORPORATION LIMITED

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Power Finance Corporation Limited	49300	98.6	0.00	49300	98.6	0.00	0.00
2	Shri Neeraj Dayal Tyagi*	100	0.2	0.00	100	0.2	0.00	0.00
3	Shri Chinmoy Gangopadhyay*	100	0.2	0.00	100	0.2	0.00	0.00
4	Shri Dhanabalan Ravi*	100	0.2	0.00	100	0.2	0.00	0.00
5	Shri Dinesh Vij*	100	0.2	0.00	100	0.2	0.00	0.00
6	Shri Krishnamoorthy Sridhar*	100	0.2	0.00	100	0.2	0.00	0.00
7	Shri Gaurisankar Patra*	100	0.2	0.00	100	0.2	0.00	0.00
8	Smt Nalini Vanjani*	100	0.2	0.00	100	0.2	0.00	0.00
<b>Total</b>		<b>50,000</b>	<b>100.00</b>	<b>0.00</b>	<b>50,000</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

\* NOMINEE OF POWER FINANCE CORPORATION LIMITED

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2014 to 31.03.2015			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders:  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>NIL</b>			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**V INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>NIL</b>			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary	<b>NIL</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors	<b>NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR</b>				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors	<b>NIL</b>				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	<b>NIL</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year  
2014-15**

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

**Brief outline of CSR Policy:** The aim of the Corporate Social Responsibility Policy (CSR Policy) of PFCCL is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. At least 2% of the average Net Profit of the Company earned during the three immediately preceding financial years shall be allocated every financial year for CSR activities. Specialized agencies such as Govt./ Semi Govt. organizations/ PSU's/ NGO's/ Reputed Institutions and Academic Organizations etc. shall be selected for implementation of CSR activities. The Implementing Agency shall be responsible for monitoring the project and shall provide periodic reports to PFCCL on the implementation part. The agency shall ensure that the project gets completed within the specified time period. The CSR policy may be accessed on the Company's website at the link: <http://www.pfcclindia.com/downloads/csr-policy.pdf>.

**Project for PFCCL for FY 2014-15:** Providing Financial Assistance towards Supply, Installation and Commissioning of 303 nos. of LED based Solar Street Lighting System in the East Kameng district of Arunachal Pradesh through M/s Energy Efficiency Services Limited (EESL) at a cost of Rs.88,99,443/- (Rupees Eighty Eight Lakhs Ninety Nine Thousand Four Hundred Forty Three only) plus applicable taxes towards the CSR activities of PFCCL, out of which Rs.0.71 crore was allocated for the FY 2014-15.

- 2. The Composition of the CSR Committee is as follows:-**

Sl.No.	Name	Designation
1.	Shri M.K.Goel	Chairman
2.	Shri R.Nagarajan	Member
3.	Shri A.K.Agarwal	Member

- 3. Average net profit of the company for last three financial years : Rs.35.45 Crore**
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):  
Rs.0.71 Crore**
- 5. Details of CSR spent during the financial year.**
  - (a) Total amount spend for the financial year: Rs. 0.72 Crore**
  - (b) Amount unspent, if any: NIL**

## (c) Manner in which the amount spend during the financial year is detailed below:

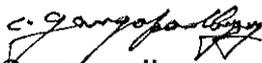
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Financial Assistance to Project of LED based Solar street Lighting Systems limited to 303 units	Power	State - Arunachal Pradesh  Districts- Tawang, West Kameng, East Kameng, Papumpare, Lower Subansire, Upper Subansiri, West Siang and East Siang.	Rs.0.71 crore	Rs.0.72 crore	Rs.0.72 crore	Through implementing agency - M/s Energy Efficiency Services Limited (EESL)
	<b>TOTAL</b>			Rs.0.71 crore	Rs.0.72 crore	Rs.0.72 crore	

\* Give details of implementing agency :

**Implementing Agency:** M/s Energy Efficiency Services Limited (EESL), a Government of India Undertaking.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report: Not Applicable,
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

  
C. Gangopadhyay  
Chief Executive officer

  
M.K. Goel  
Chairman, CSR Committee  


Disclosure of particulars u/s 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as under:

**A. CONSERVATION OF ENERGY:**

(a) The steps taken or impact on conservation of Energy;	The Company will take necessary measures as may be required from time to time for conservation of energy.
(b) The steps taken by the company for utilizing alternate sources of energy;	None
(c) The Capital Investment on energy conservation equipments;	Nil

**B. TECHNOLOGY ABSORPTION**

1. Efforts made towards technology absorption.	No specific efforts have been taken in this regard.
2. Benefits derived like product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished : (a)Technology imported. (b)Year of import. (c)Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	Not Applicable
4. The expenditure incurred on Research and Development	NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil.**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the years, as the Indian industry started maturing, the Indian consulting industry also started expanding, not only in terms of size, but also in terms of the service offerings. Over the period, specialist consulting advice was being sought by clients in India and this opened the opportunity for a number of global consultancy organizations to draw on their specialist knowledge base and resources to meet the demand for consulting services.

The consulting market in India is majorly dominated by few global players who control more than 50% of the market share. Excluding Financial Services and IT and HR Outsourcing services, the overall market for Business Consulting was estimated to be around INR 3000 crores in FY13.

The consulting market across the world spans a wide array of services that can be classified under following segments based on the specialization and services provided. Although a clear distinction and segmentation of services may be difficult as most of the consulting companies operate across the spectrum with considerable overlapping of services provided, however, a functional segregation of services can be done as below:

Strategy & Operations	Management Consulting			Engineering Consultancy
	Financial Advisory	Human Resource	IT	
<ul style="list-style-type: none"> <li>• Corporate Strategy</li> <li>• Public Sector Policy</li> <li>• M&amp;A</li> <li>• Organizational strategy</li> <li>• Functional strategy</li> <li>• Market entry</li> <li>• Sales &amp; marketing</li> <li>• Supply chain</li> <li>• Finance</li> <li>• Process management</li> <li>• Procurement</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate finance</li> <li>• Transaction services</li> <li>• Restructuring</li> <li>• Forensic and litigations</li> </ul>	<ul style="list-style-type: none"> <li>• Change management</li> <li>• Talent management</li> <li>• HR function</li> <li>• Benefits and rewards</li> <li>• Learning &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• IT Advisory</li> <li>• ERP implementation</li> <li>• Data analytics</li> <li>• Software management</li> <li>• System integration</li> <li>• Enterprise architecture</li> </ul>	<ul style="list-style-type: none"> <li>• Design and implementation engineering</li> <li>• EPC Consultancy</li> <li>• Project Management Support</li> <li>• Feasibility Studies and Preparation of Detailed Project Reports</li> </ul>

As India embarked on a fast track growth, the infrastructure sectors such as power, telecom, roads, and airports have seen much progress in the last few years. The power sector has however been fraught with historical operational inefficiencies and emergent policy and legal hurdles which have slowed down investments, while the country's demand for power is ever-increasing. The impending issues, policy shifts and change in market developments have led to a creation of plethora of opportunities for sectorial consulting firms to offer to the government / government owned companies and provide subject matter expertise to the private organizations.

### **STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS**

Leveraging on the strengths of PFC and its in-depth understanding of key issues in the sector built through the execution of nodal agency roles for key Government of India programs, PFCCL has created a strong niche for itself and is appropriately poised to play a more transformative role in the power sector in the coming years. PFCCL has experienced and professional regular executives and a panel of reputed experts in the areas of Coal, Forest, Environment and Railways who have retired from Senior level positions in the GoI, CMDs of PSUs and other Apex/ decision-making positions.

As India embarked on a fast track growth in power sector numerous opportunities are emerging for PFCCL to tap over like partnering with Government of India in its upcoming programs and schemes.

On limitation front, PFCCL had been focussing on sector-specific consultancy services leading to narrow spectrum of consultancy business. Also, strong competition from big private Consulting Organisations and the growing focus of these consulting companies in energy sector is a big a threat for PFCCL's growth opportunities.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Company's main business is to provide consultancy and the Company does not have any separate reportable segment.

### **THE ECONOMY**

Indian economy has shown signs of recovery in last couple of years with stronger growth, significantly narrowed current account deficit, fiscal deficit moving towards a consolidation path and inflation trending downwards. However, Indian economy is certainly capable of achieving higher growth than the current levels. In order to achieve and sustain such higher economic growth it is imperative that there should be an enabling atmosphere that fosters competition and improves ease of doing business. The challenge, therefore, is to initiate structural reforms for sustainable higher economic growth.

The Government of India has already initiated various structural reforms to improve the ease of doing business. The recent structural reform initiatives include labour reforms, measures to increase FDI into India, 'Make in India', 'Digital India', reforms to promote energy, coal and mining, push for national Goods and Services Tax (GST) and land reforms, some of which are underway.

Govt. of India in its Union Budget in Feb, 2015 emphasized on infrastructure creation as central to its road map for economic growth. The government promised in the budget to boost infrastructure spending by Rs. 70,000 Crores in fiscal 2016. Accordingly, the fiscal 2016 consolidation target has been relaxed to allow for increased infrastructure investment. Further, Govt. announced formation of an investment and infrastructure fund and tax-free bonds for raising funds to facilitate investment in infrastructure. The above clearly underlines Government's commitment to revive the investment cycle to spur economic growth.

### OUTLOOK ON POWER SECTOR

The fiscal 2015 was a good year for Indian power sector with (i) highest capacity addition in a single year, of 22,566 MW (ii) power generation growth of 8.4%, the highest in 20 years (iii) power deficit reduced to 3.6%, the lowest ever (iv) highest ever increase in transmission lines to 22,100 ckm (v) highest ever increase in sub-station capacity to 65,554 MVA (vi) highest coal production growth of 8.3% in last 23 years (vii) first time ever exceeded renewable capacity addition targets.

Indian power sector, however, is still grappling with structural challenges like fuel supply issues, weak financial health of State distribution utilities, stressed projects & balance sheets of power developers. Govt. of India has already introduced several reform initiatives and measures to address the issues of power sector, which includes (i) the uncertainty, post cancellation of 204 coal blocks in 2014, was adequately addressed by Govt. through quick reallocation of coal blocks through a transparent e-auction process (ii) to operationalize the stranded gas based power projects, Govt. introduced new gas pooling mechanism whereby Govt. would provide subsidy in fiscal 2016 and fiscal 2017 to kick start the stranded gas projects (iii) Two new schemes aimed at distribution reforms have been formulated, got approved & are being implemented by Govt., namely Integrated Power Development Scheme (IPDS) for Urban areas and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for Rural areas. Additionally, Restructured Accelerated Power Development and Reform Programme (R-APDRP) scheme was subsumed into IPDS. (iv) Govt. has finalized a loss reduction trajectory for bringing down national AT&C losses from current level of 25% to 15% by 2020 through various state specific measures best suited to respective states (v) to promote efficiency, competition, renewable energy and to improve quality and reliability of power, Govt. has approved amendments in Electricity Act and introduced the same in parliament. The amendments envisage ensuring grid stability, competition in distribution sector, operationalisation of open access, strengthening regulatory commissions, tariff rationalization etc.

On the renewable energy front, Solar capacity increased by 42% in fiscal 2015. Out of planned 25 solar parks with capacity of 1000 MW, already 17 solar parks in 14 states have been approved. Renewable energy global meet held in Feb, 2015 attracted commitments of 273 GW. Green energy corridors are being rolled out with investment of Rs. 38,000 Crore to ensure power evacuation from renewable energy plants.

On the power transmission front, Govt. approved National Smart Grid Mission to bring efficiency in power supply network and reduce losses & outages. The activities under the same include development of smart grid, micro grids, consumer engagement and training & capacity building. Further, about Rs. 1,00,000 Crore of transmission projects are to be bid out in next one year. To have a comprehensive transmission infrastructure, a 20 year transmission plan has been formulated by CEA (Central Electricity Authority) being considered for implementation.

To achieve sustainable development of power sector, Govt. of India set long term targets of 24x7 power for all by 2019, doubling Coal India's production to 100 Crore tonne by 2020, increase power generation by 50% by 2020, increase renewable capacity by more than 5 times to 175 GW by 2022 and energy saving to increase to 10% of current consumption. Given all the above initiatives and targets, the outlook of power sector going forward looks optimistic.

### **RISKS AND CONCERNS**

The Company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks. The company is also in the process of developing a structured framework namely Risk Management Policy, which would further improve the risk identification and mitigation process of the company. The framework is being designed in a manner to provide for risk identification, recording, monitoring, reporting, reviewing and mitigation etc.

The ability to take risks is the hallmark of any good enterprise, but if those risk are managed ineffectively, then growth can be adversely affected. Whether those challenges relate to people, process or technology, there has to be methodology to address all of them efficiently. In your company, we adopt a risk intelligent approach to manage financial, technology and business risks. Our risk management initiatives are directed so as to better align our business objectives and strategies with the need of today's competitive market.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your company maintains a robust system of Internal Control including suitable monitoring procedures which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and company policies. Suitable delegation of power and guidelines for accounting has been issued for uniform compliance. In order to ensure that all checks and

balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

Internal auditors are being appointed for strengthening the internal control system of the company and they are conducting audit on regular basis.

### **DISCUSSION ON OPERATIONAL PERFORMANCE**

During the financial year under review, the Total Income of the Company has decreased from Rs. 5,519.20 Lakh to Rs. 4,939.62 Lakh showing a decrease of 10.50% and your company earned Profit before Tax of Rs. 3,333.07 Lakh as compared to Rs. 4,085.50 Lakh for the financial year 2013-14 showing a decrease of 18.42%. The Profit after Tax also fell from Rs. 2,695.95 Lakh in the previous financial year to 2,170.39 Lakh in the current financial year. The decrease is mainly due to reduction in consultancy fees on transfer of ITPs to Successful bidders from Rs. 1420 Lakh to Rs. 275 Lakh and income from sale of RfQ/RfP from Rs. 905 Lakh to Rs. 60 Lakh which was mainly from sale proceeds of RfQ/RfP of Orissa and Tamil Nadu UMPP & ITPs. However income from consultancy assignments other than from consultancy fee on transfer of SPVs & ITPs and sale of RfQ/ RfP increased from Rs. 800 Lakh to Rs. 2126 Lakh (166%). The increase in consultancy income is mainly contributed by new assignments of WBSEDCL, MPMKVCL, MeECL etc.

During the year, the Company has earned Other Income of Rs. 1208.42 Lakh which includes Interest on deposit of surplus funds with banks amounting to Rs. 1145.60 Lakh and Miscellaneous Income of Rs. 62.82 Lakh.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT**

The Company is a wholly owned subsidiary of Power Finance Corporation Limited (PFC) and all the employees working for the Company are the employees of PFC and are posted to PFC Consulting Limited (PFCCL). PFCCL being a consultancy organization has always believed that human resource is the most important resource of the Company and continues to work for its development. The functioning and activities of the Company are aligned to company's business objectives. The thrust has been on rationalization of manpower with focus on proper utilization of the available manpower resources.

The Human Resource Development activities focused on various areas, such as, Companies Act, project management, stress management, finance, etc. To encourage managerial excellence among middle management international training programs were also organized.

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights.

**ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION**

The Company will take necessary measures as may be required from time to time for conservation of energy. During the year, no specific steps has been taken by the company for utilizing alternate sources of energy and no Capital Investment on energy conservation equipments has been made. Further, no specific efforts have been taken towards technology absorption.

During the FY 2014-15, there is no foreign exchange earnings and outgo.

**CORPORATE SOCIAL RESPONSIBILITY**

The aim of the Corporate Social Responsibility Policy (CSR Policy) of PFCCL is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. At least 2% of the average Net Profit of the Company earned during the three immediately preceding financial years shall be allocated every financial year for CSR activities. Specialized agencies such as Govt./ Semi Govt. Organizations/ PSU's/ NGO's/ Reputed Institutions and Academic Organizations etc. shall be selected for implementation of CSR activities. The Implementing Agency shall be responsible for monitoring the project and providing periodic reports to PFCCL, ensuring that the project gets completed within the specified time period.

During the Financial Year 2014-15, your Company has contributed an amount of Rs. 0.72 Crore for providing Financial Assistance towards Supply, Installation and Commissioning of 303 nos. of LED based Solar Street Lighting System in the East Kameng district of Arunachal Pradesh through M/s Energy Efficiency Services Limited (EESL).

**CAUTIONARY STATEMENT**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may get affected by actual results, resulting in future performance and outlook different from what the Management envisages.

## REPORT ON CORPORATE GOVERNANCE

### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON GUIDELINES ON CORPORATE GOVERNANCE

Corporate governance primarily hinges on transparency, integrity and accountability of the management with major focus on investor protection and public interest. PFCCL believes that the spirit of Corporate Governance lies in adherence of highest standards of transparency, trust & integrity, responsibility & accountability, social responsiveness, ethical business practices and commitment to the organization for sustainable enrichment of value for stakeholders.

The Company believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents.

### 2. BOARD OF DIRECTORS

#### a) COMPOSITION OF THE BOARD

As on March 31, 2015 the Company's Board comprised of three (3) Directors. All the members of the Board are Non-Executive Directors.

The composition of Board of Directors as on March 31, 2015 was as follows:

<b>Non-Executive Directors</b>		
(i)	Shri M.K.Goel	Chairman
(ii)	Shri R.Nagarajan	Director
(iii)	Shri A.K.Agarwal	Director

#### b) NUMBER OF BOARD MEETINGS

During fiscal year 2014-15, the Board of PFC Consulting Limited met Nine times on the following dates:-

(i) 15<sup>th</sup> May, 2014 (ii) 28<sup>th</sup> July, 2014 (iii) 22<sup>nd</sup> August, 2014 (iv) 16<sup>th</sup> September, 2014 (v) 14<sup>th</sup> October, 2014 (vi) 8<sup>th</sup> December, 2014 (vii) 16<sup>th</sup> December, 2014 (viii) 23<sup>rd</sup> February, 2015 (ix) 28<sup>th</sup> March, 2015 and the maximum time gap between two

meetings was not more than One hundred and twenty days. The Company adopts the system of circulating Agenda and Notes to the Directors well in advance. Further, an Action Taken Report on the matters of the previous Board Meetings is also placed before the Board.

The names, designation and categories of directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting held on 16<sup>th</sup> September, 2014, and also the number of Directorships held by them in other companies as on 31.03.2015 are given below:-

Name & Designation	Board Meetings		No. of other Directorships as on March 31, 2015	Attendance at the last AGM held on 16 <sup>th</sup> September, 2014
	Held during the tenure	Attended		
Shri M.K.Goel Chairman	9	9	3	Present
Shri R.Nagarajan Director	9	9	10	Present
Shri A.K.Agarwal Director	9	9	9	Present

#### c) INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

Detailed Agenda Notes with necessary information were circulated in advance to the Board.

The following information is generally supplied to the Board:

- Annual operating plans, budgets and any updates therein.
- Information on appointment of senior officers just below the Board level.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Minutes of Board Meetings of subsidiary companies.
- Action Taken Report (ATR) on decisions of the Board.
- Constitution of Board Committees with terms of reference.
- Other materially important information.

#### d) COMPLIANCE WITH APPLICABLE LAWS

The Company has a system in place for monitoring of various statutory and procedural compliances. Further, a compliance certificate on statutory dues and statutory compliances is being taken from Unit Heads/ Departments of the Company on quarterly basis.

### e) CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. A copy of the Code of Conduct has been placed on the Website of the Company i.e. [www.pfcclindia.com](http://www.pfcclindia.com). All the Board Members and Senior Management Personnel have given their affirmations of compliance with the Code. A declaration to this effect signed by Chairman & Managing Director is enclosed and forms part of the Annual Report.

### 3. COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors and its Committees meet at regular intervals. All decisions pertaining to the constitution of Board Committees, appointment(s) of members is taken by the Board of Directors. As on March 31, 2015 the Board has following Committee:

#### Corporate Social Responsibility Committee of Directors

CSR Committee has been constituted to give direction to the CSR activities of the Company and to make recommendations to the Board of Directors for taking up various CSR projects.

As on March 31, 2015 the Committee comprised of the following members:

1. Shri M. K. Goel : Chairman
2. Shri R. Nagarajan : Member
3. Shri A.K. Agarwal : Member

The Committee met two (2) times during the FY 2014-15, on the following dates:

SI.No.	CSR Committee Meeting	Date of Meeting	No. of Member present
1	1 <sup>st</sup>	16 <sup>th</sup> December, 2014	3
2	2 <sup>nd</sup>	28 <sup>th</sup> March, 2015	3

### 4. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are given as follows:-

No.	AGM	Day, Date & Time	Location	Special Resolutions Passed
1	4 <sup>th</sup>	Monday, 17 <sup>th</sup> September, 2012 & 12.00	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-

		Noon		
2	5 <sup>th</sup>	Thursday, 12 <sup>th</sup> September, 2013 & 12.30 p.m.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
3	6 <sup>th</sup>	Tuesday, 16 <sup>th</sup> September, 2014 & 12.00 Noon	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-

## 5. SUBSIDIARY COMPANIES

Presently the Company has following nine (9) wholly owned subsidiaries:

- Tanda Transmission Company Limited (TTCL)
- Ballabgarh-GN Transmission Company Limited (BGNTCL)
- Mohindergarh-Bhiwani Transmission Limited (MBTL)
- Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)
- Sipat Transmission Limited (STL)
- Chhattisgarh-WR Transmission Limited (CWRTL)
- South-Central East Delhi Power Transmission Limited (SCEDPTL)
- Warora-Kurnool Transmission Limited (WKTL)
- Odisha Generation Phase-II Transmission Limited (OGPTL)

## 6. AUDITOR'S QUALIFICATION

There are no adverse comments, observation or reservation in the Auditor's Report on the accounts of the Company for the financial year 2014-15.

## 7. MEANS OF COMMUNICATION

As the Company is not a Listed entity, the provisions of Quarterly results publication in news paper or on any website is not applicable.

## 8. TRAINING OF BOARD MEMBERS

As all the Directors of the Company are functional Directors of Power Finance Corporation, the holding Company. Therefore, the provision of Training of Board Members is not applicable on the Company.

## 9. DISCLOSURES

- (i) Annual Financial Statements for the Financial Year 2014-15 are in conformity with applicable accounting standards.
- (ii) The Company has not entered into any transaction of material nature with its promoters, the directors or the management, their relatives, that may have any potential conflict with the interest of the Company. Further, the details of related party transactions are presented in note no. 37 of financial statements in the Annual Report.
- (iii) Neither any penalty nor any stricture has been imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government, during the last three years.
- (iv) There is no whistle Blower policy in the Company.
- (v) The Company has complied with all the mandatory requirements of DPE guidelines and has filed report on Corporate Governance in specified format to MoP and DPE within stipulated time.
- (vi) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

## DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted the Code of Conduct for all Board Members and Senior Management Personnel of the Company.

It is hereby affirmed that all the Directors and Senior Managerial Personnel have complied with the Code of Conduct and have given a confirmation in this regard.



(M.K.Goel)  
Chairman



Place: New Delhi

Date: 18.08.2015



INDEPENDENT AUDITOR'S REPORT

To the Members of PFC Consulting Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **PFC Consulting Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Email: [serva.associates@gmail.com](mailto:serva.associates@gmail.com) Website: [www.serva.in](http://www.serva.in)

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

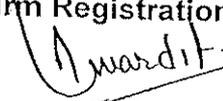
## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure-I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. A report on the matters as per the Directions/Sub-Directions issued by C&AG u/s 143(5) of the Companies Act, 2013 is attached as Annexure-II.

For Serva Associates  
Chartered Accountants  
(Firm Registration No 000272N)

  
C.A. Amarjit Verma  
Partner

M. No. 083520

Place: New Delhi

Date: 18-05-2015



**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF PFC CONSULTING LIMITED**

The Annexure referred to in our report to the members of PFC Consulting Limited ('the Company') for the year ended 31<sup>st</sup> March, 2015.

We report that:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) According to the information and explanations given to us, the fixed assets are physically verified by the management on annual basis which in our opinion is at reasonable intervals. As per information and explanations given to us, no material discrepancies were noticed on such verification as compared to book records.
2. The Company is in the business of Consultancy Services and does not have inventories; hence clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. There are no purchases of inventory and sale of goods. On the basis of our examination of the books and records of the company, carried out in accordance with the accounting standards generally accepted, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company.
7. a). The company is generally regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no disputed statutory dues payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess which are outstanding as at 31<sup>st</sup> March, 2015.
- c) According to the information and explanations given to us, there is no amount outstanding as at 31<sup>st</sup> March, 2015 which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 ( 1 of 1956) and rules made thereunder.
8. The company does not have accumulated losses at the end of the current financial year. It has not incurred any cash losses in current financial year and in the immediately preceding financial year.
9. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder, hence clause (ix) of paragraph 3 of the Order regarding default is not applicable to the Company.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. According to the records of Company, the Company did not have any outstanding term loans during the year. Therefore provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company.
12. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year under audit.

**For Serva Associates**  
**Chartered Accountants**  
**(Firm Registration No 000272N)**

*Amarjit*  
**C.A. Amarjit Verma**  
**Partner**

**M.No. 083520**

**Place: New Delhi**

**Date: 18-05-2015**



**ANNEXURE-II TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PFC CONSULTING LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

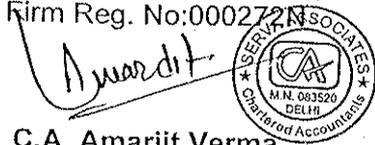
**(REFERRED TO IN PARAGRAPH 3 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)**

1. If the company has been selected for disinvestment, a complete status report in terms of the valuation of Assets(including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process	The Company is not selected for disinvestment, hence not applicable.
2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and the amount involved	There are no such cases.
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities.	There is no inventory in the Company and no assets received from Government or other authorities, hence not applicable.
4. A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence /effectiveness of a monitoring mechanism for expenditure on all legal cases(foreign and local ) may be given.	There is no legal/ arbitration cases against Company, hence not applicable.

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statement of the Company.

**Serva Associates**  
(Chartered Accountants)

Firm Reg. No:000272



**C.A .Amarjit Verma**  
(Partner)

M No. : 083520

Place : New Delhi

Date: 18.05.2015



**SERVA ASSOCIATES**  
CHARTERED ACCOUNTANTS

---

### Compliance Certificate

We have conducted the audit of accounts of **PFC CONSULTING LIMITED** for the year ended 31st March, 2015 in accordance with the Directions /Sub Directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions /sub directions issued to us.

**Serva Associates**  
(Chartered Accountants)  
Firm Reg. No:000272N

*Amarjit*  
**C.A. Amarjit Verma**  
(Partner)  
M No. : 083520  
Place : New Delhi  
Date: 18.05.2015



---

Head Office: 8/28, 3<sup>rd</sup> Floor, W.E.A, Abdul Aziz Marg, Karol Bagh, Delhi 110005 Ph: 011-42502244, 3562

Email: [serva.associates@gmail.com](mailto:serva.associates@gmail.com) Website: [www.serva.in](http://www.serva.in)

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**BALANCE SHEET AS AT MARCH 31, 2015**

(Amount in ₹)

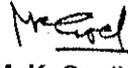
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	5,00,000	5,00,000
(b) Reserves & Surplus	4	1,51,03,14,228	1,29,33,21,036
		<u>1,51,08,14,228</u>	<u>1,29,38,21,036</u>
<b>(2) Current Liabilities</b>			
(a) Trade Payables	5	1,52,49,031	1,71,00,407
(b) Other Current Liabilities	6	2,53,14,524	3,87,08,144
(c) Short-Term Provisions	7	1,28,61,497	1,50,42,056
		<u>5,34,25,052</u>	<u>7,08,50,607</u>
<b>Total</b>		<u><b>1,56,42,39,280</b></u>	<u><b>1,36,46,71,643</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible assets		31,88,443	51,91,144
(i) Intangible assets		-	-
(b) Non-Current Investments	9	35,00,000	15,00,000
(c) Deferred Tax Assets (Net)	10	43,88,930	54,93,689
(d) Long-Term Loans and Advances	11	63,42,058	44,54,607
(e) Other Non-Current Assets	12	93,27,00,000	27,36,19,000
		<u>95,01,19,431</u>	<u>29,02,58,440</u>
<b>(2) Current Assets</b>			
(a) Trade Receivables	13	17,78,16,139	9,10,99,358
(b) Cash and Bank Balances	14	32,01,70,978	87,58,96,026
(c) Short-Term Loans and Advances	11	5,44,78,294	6,70,96,845
(d) Other Current Assets	15	6,16,54,438	4,03,20,974
		<u>61,41,19,849</u>	<u>1,07,44,13,203</u>
<b>Total</b>		<u><b>1,56,42,39,280</b></u>	<u><b>1,36,46,71,643</b></u>
Corporate Information	1		
Significant accounting policies	2		
Other Notes to the Financial Statements	22 to 46		

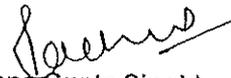
The accompanying notes forms an integral part of the financial statements

For and on behalf of Board of Directors

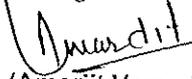
  
(C. Gangopadhyay)  
CEO  
DIN 02271398

  
(R. Nagarajan)  
Director  
DIN 00701892

  
(M. K. Goel)  
Chairman  
DIN 00239813

  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : A-16461

As per our report of even date  
For Serva Associates  
Chartered Accountants  
(Firm Registration No:000272N)

  
(Amarjit Verma)  
Partner  
M. No. 83520

Place: - New Delhi  
Date: - 18.05.2015

68



PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

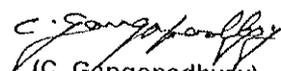
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

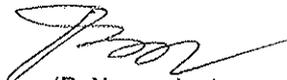
(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2015	Year Ended March 31, 2014
I. Revenue from Operations	16	37,31,20,042	44,69,82,912
II. Other Income	17	12,08,41,852	10,49,37,504
III. Total Revenue (I+II)		<u>49,39,61,894</u>	<u>55,19,20,416</u>
IV. Expenses			
Expense for Consultancy Services	18	2,15,05,780	3,27,68,337
Employee Benefits Expense	19	8,82,71,944	6,97,68,310
Depreciation and Amortization expense	8	34,12,020	21,20,928
Other Expenses	20	4,74,21,435	3,85,23,209
Prior Period Items (Net)	21	43,386	1,89,216
Total Expenses		<u>16,06,54,565</u>	<u>14,33,70,000</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		33,33,07,329	40,85,50,417
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		33,33,07,329	40,85,50,417
VIII. Extraordinary items		-	-
IX. Profit Before Tax (VII-VIII)		33,33,07,329	40,85,50,417
X. Tax Expense			
(1) Current Tax			
for current year		11,51,48,480	14,02,15,822
for earlier year		(8,926)	(12,44,146)
(2) Deferred Tax		11,51,39,554	13,89,71,676
		11,28,492	(16,624)
XI. Profit for the year from continuing operations (IX-X)		21,70,39,283	26,95,95,365
XII. Profit from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit from discontinuing operations (after Tax) (XII-XIII)		-	-
XV. Profit for the year after tax (XI +XIV)		<u>21,70,39,283</u>	<u>26,95,95,365</u>
XVI. Earnings per equity share (Par Value of Rs. 10/- each):			
(1) Basic	38	4,341	5,392
(2) Diluted	38	4,341	5,392
Corporate Information	1		
Significant accounting policies	2		
Other Notes to the Financial Statements	22 to 46		

The accompanying notes forms an integral part of the financial statements

For and on behalf of Board of Directors

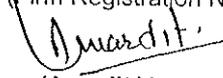
  
(C. Gangopadhyay)  
CEO  
DIN 02271398

  
(R. Nagarajan)  
Director  
DIN 00701892

  
(M. K. Goel)  
Chairman  
DIN 00239813

  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : A-16461

As per our report of even date  
For Serva Associates  
Chartered Accountants  
Firm Registration No:000272N)

  
(Amarjit Verma)  
Partner  
M. No. 83520



Place: - New Delhi  
Date: - 18.05.2015

**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)  
CIN: U74140DL2008GO1175858

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

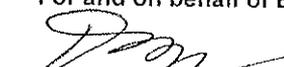
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(Amount in ₹)		
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax	33,33,07,329	40,85,50,417
Adjustments for		
Add: Depreciation	34,12,020	21,20,928
Add: Disposal/Write-off of Fixed Assets	83,965	46,000
Less: Depreciation Written Back	-	(12,477)
Less: Interest Income	(11,98,34,374)	(10,49,21,663)
Operating profit before working capital changes	21,69,68,940	30,57,83,205
Adjustment For Working Capital changes :		
(Increase)/Decrease in Trade Receivables	(8,67,16,781)	(1,75,14,697)
(Increase)/Decrease in Other Current Assets	54,42,73,286	(20,32,64,233)
(Increase)/Decrease in Other Non-Current Assets	(65,90,81,000)	(4,50,90,000)
(Increase)/Decrease in Long Term Loans & Advances	(18,87,451)	47,936
(Increase)/Decrease in Short Term Loans & Advances	1,12,66,189	(1,70,98,547)
Increase/(Decrease) in Trade Payables	(18,51,376)	80,89,122
Increase/(Decrease) in Other Current Liabilities	(1,33,93,620)	1,91,47,457
Increase/(Decrease) in Short Term Provisions	(54,05,385)	(1,03,69,512)
Cash Inflow/Outflow from operations before Tax	41,72,802	3,97,30,731
Less: Taxes Paid	(11,05,62,365)	(14,88,36,003)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(10,63,89,563)</b>	<b>(10,91,05,272)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(16,28,581)	(23,90,658)
Sale/ Adjustments in Fixed Assets	65,472	11,995
Interest Income	11,98,34,374	10,49,21,663
Investments in Shares of subsidiaries companies	(25,00,000)	(10,00,000)
Sale of Investments in Shares of subsidiaries companies	5,00,000	20,00,000
<b>Net Cash Flow from Investing Activities (B)</b>	<b>11,62,71,265</b>	<b>10,35,43,000</b>
<b>C. Cash Flow from Financing Activities:</b>		
<b>Net Cash Flow from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>98,81,701</b>	<b>(55,62,272)</b>
Add: Cash and Cash Equivalents at the beginning of the year*	7,80,277	63,42,549
Cash and Cash Equivalents at the end of the year	<b>1,06,61,978</b>	<b>7,80,277</b>
* Details of Cash & Cash Equivalents:		
Balance with Banks	6,61,978	7,80,277
FD with maturity upto 3 months	1,00,00,000	-
Cheques in Hand	-	-
	<b>1,06,61,978</b>	<b>7,80,277</b>

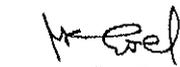
Note to Cash Flow Statement:

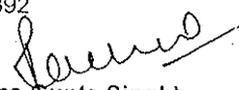
The changes in fixed deposit accounts with maturity more than three months shown under note of Cash & Bank Balances amounting to ₹ 30,95,09,000/- (PY ₹ 87,51,15,749/-) have been considered as part of change in other current assets.

For and on behalf of Board of Directors

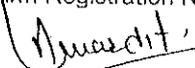
  
(C. Gangopadhyay)  
CEO  
DIN 02271398

  
(R. Nagarajan)  
Director  
DIN 00701892

  
(M. K. Goel)  
Chairman  
DIN 00239813

  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : A-16461

As per our report of even date  
For Serva Associates  
Chartered Accountants  
(Firm Registration No:000272N)

  
(Amarjit Verma)  
Partner  
M. No. 83520



Place: - New Delhi  
Date: - 18.05.2015

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**1 Corporate Information**

"PFC Consulting Limited" (PFCCL) was incorporated under Companies Act, 1956 as a wholly owned subsidiary of Power Finance Corporation Limited (PFC) on March 25, 2008 for rendering Consultancy Services to Power Sector including development of Independent Transmission Projects (ITPs). The Certificate for Commencement of Business was obtained by the Company on April 25, 2008.

**2 Significant Accounting Policies**

**a. Basis of Preparation**

The financial statements have been prepared in accordance with historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 and 2013.

**b. Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/or materialised.

**c. Fixed Assets**

Fixed Assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value. The historical cost includes all cost attributable for bringing the assets to its working condition for its intended use. Expenditure on existing assets resulting in increase in previously assessed useful life/standard of performance is added in relevant assets.

Intangible Assets are recorded at their cost of acquisition.

**d. Borrowing Cost**

Borrowing Costs that are attributable to the acquisition, construction of fixed assets which take substantial time to get ready for its intended use are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

**e. Depreciation / Amortisation**

Depreciation on assets is provided on Pro-rata basis as per written Down value method considering the useful life and residual value prescribed under the Schedule II of the Companies Act, 2013

**f. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long Term Investments.

Current Investments are valued at lower of cost and fair market value determined on an individual investment Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

**g. Expenditure Incurred by Holding Company**

Expenditures incurred by the Holding Company on behalf of the company are apportioned and charged on cost to company basis.

**h. Cash Flow Statement**

Cash flows is prepared in accordance with indirect method prescribed in Accounting Standard-3 on Cash Flow Statement



**i. Revenue Recognition**

Income is accounted for on accrual basis, unless otherwise stated.

- (i) Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- (ii) Fees for advisory and professional services for developing Ultra Mega Power Projects (Special Purpose Vehicle (SPV) of Power Finance Corporation Limited)/Independent Transmission Projects (SPV of PFC Consulting Limited) becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- (iii) Cost of employees working for developing Ultra Mega Power Projects and Independent Transmission Projects are charged on cost to Company basis/rate, as determined by the company in proportion to the man days (as assessed by the management) spent on the respective projects.
- (iv) Consultancy fees calculated as above is net of Service Tax as payable under Finance Act 1994.
- (v) Interest is accounted for on accrual basis.
- (vi) Profit on sale of investments (other than trade investments) is recorded at the time of transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Dividends are recorded when the right to receive the income is established.
- (vii) Interest on amount recoverable from subsidiaries is accounted for at the holding company's (PFC) rate of interest applicable for project loan/scheme (Transmission) to state sector borrower (category A) as applicable from time to time.
- (viii) The sale proceeds from Request for qualification (RFQ) document/ Request for proposal (RFP) document for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when it becomes due.

**j. Provisioning of dues from Govt. Departments/Agencies**

Amounts under constant persuasion for realization and due from Central/State Govt. department/s, Public Sector Undertakings and Central Co-operative are provided as doubtful on final settlement made with client or verdict is passed by arbitration/court, in case of dispute and on the basis of management's previous experience with the particular client/case. Such amounts are written off when considered unrealizable.

**k. Taxes on Income**

Provision for taxation includes provision for Income Tax and Deferred Tax. Current Income tax has been provided at the rates in force in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted and are substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

**l. Employee Benefits**

The employees of the Company are on secondment from the Holding Company. Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, leave encashment, long service award, economic rehabilitation scheme and other terminal benefits. In terms of the arrangement with the Holding Company, the Company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the Company. Accordingly, these employee benefits are treated as defined contribution schemes.

**m. Prepaid and Prior Period Expenses**

Pre-paid expenses and prior period expenses/income of items of ₹ 5,000/- and below are charged to natural heads of accounts.

**n. Provisions & Contingencies**

- (i) A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions as determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.



- (ii) Contingent liabilities are disclosed at present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts based on information available at Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current management
- o. Independent Transmission Projects**  
Expenditures on the particular Independent Transmission Project is debited to the account "Amount recoverable from concerned Special Purpose Vehicles (SPVs) and shown under Loans & Advances".



A

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

3 SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised :</b> 50,000 Equity shares of ₹10/- each (Previous Year 50,000 Equity shares of ₹10 each)	5,00,000	5,00,000
<b>Issued, Subscribed and Fully paid up:</b> 50,000 Equity shares of ₹ 10/- each (Previous Year 50,000 Equity shares of ₹ 10 each)	5,00,000	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>	<b>5,00,000</b>

a.) Reconciliation of the shares outstanding and the amount of share capital as at March 31, 2015 and March 31, 2014

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount(₹)	No. of Shares	Amount(₹)
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Issued During the year	-	-	-	-
Outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

b.) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c.) Shares held by holding company

Out of 50,000 equity shares issued by the company, shares held by its Holding Company are as below:

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Power Finance Corporation Limited, the Holding Company * 50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid	5,00,000	5,00,000

d.) Details of Shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% Held	No. of Shares	% Held
Power Finance Corporation Limited, the Holding Company * 50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

\* Equity shares are held by Power Finance Corporation Limited and through its nominees.



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)  
CIN: U74140DL2008GOI175858

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**4 RESERVES & SURPLUS**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,29,33,21,036	1,02,37,25,672
Less: Adjustment of Value of Fixed Assets having Nil Useful Life as on 01.04.14 (Refer Note- 42)	(46,092)	-
	1,29,32,74,944	1,02,37,25,672
Add: Profit for the year	21,70,39,283	26,95,95,365
Balance as at the end of the year	1,51,03,14,228	1,29,33,21,036
<b>TOTAL</b>	<b>1,51,03,14,228</b>	<b>1,29,33,21,036</b>

**5 TRADE PAYABLES**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Trade Payables		
- Total Outstanding dues of Micro Enterprises & Small Enterprises	1,92,296	10,14,883
- Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	1,50,56,735	1,60,85,524
<b>TOTAL</b>	<b>1,52,49,031</b>	<b>1,71,00,407</b>

**6 OTHER CURRENT LIABILITIES**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Earnest Money/ Security Deposit	15,23,200	6,53,750
Amount Payable to Successful Developer	88,37,061	1,90,36,813
Advance from Clients	52,55,845	1,01,16,060
TDS Payable	25,32,609	34,10,703
Service Tax Payable	1,99,783	18,86,310
Service Tax on Consultancy (Accrued)	3,47,504	3,47,504
Expenses Payable	66,18,522	32,57,004
<b>TOTAL</b>	<b>2,53,14,524</b>	<b>3,87,08,144</b>

**7 SHORT- TERM PROVISIONS**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Provisions for employee benefits	96,36,671	1,50,42,056
Provision for Income Tax	32,24,826	-
<b>TOTAL</b>	<b>1,28,61,497</b>	<b>1,50,42,056</b>



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**8 FIXED ASSETS**

Particulars	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Opening Balance as at 01.04.2014	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2015	Opening Balance as at 01.04.2014	For the year	Withdrawn / Written back	Closing Balance as at 31.03.2015	As at 31.03.2015	As at 31.03.2014		
<b>I. TANGIBLE ASSETS :</b>												
Owned Assets												
Furniture & Fixtures	11,43,101	3,48,095	2,22,061	12,69,135	3,79,205	2,54,701	1,72,300	4,61,606	8,07,529	7,63,896		
EDP Equipments	73,80,857	9,19,026	-	82,99,883	46,04,293	22,33,912	(69,825)	69,08,030	13,91,853	27,76,564		
Other Office Equipments	20,85,908	3,61,460	1,92,830	22,54,538	4,35,224	9,23,407	93,154	12,65,477	9,89,061	16,50,684		
<b>Total</b>	<b>1,06,09,866</b>	<b>16,28,581</b>	<b>4,14,891</b>	<b>1,18,23,556</b>	<b>54,18,722</b>	<b>34,12,020</b>	<b>1,95,629</b>	<b>86,35,113</b>	<b>31,88,443</b>	<b>51,91,144</b>		
Previous Year	82,77,208	23,90,658	58,000	1,06,09,866	33,10,276	21,20,928	12,482	54,18,722	51,91,144			
<b>II. INTANGIBLE ASSETS :</b>												
Computer Software	44,120	-	-	44,120	44,120	-	-	44,120	-	-		
<b>Total</b>	<b>44,120</b>	<b>-</b>	<b>-</b>	<b>44,120</b>	<b>44,120</b>	<b>-</b>	<b>-</b>	<b>44,120</b>	<b>-</b>	<b>-</b>		
Previous Year	44,120	-	-	44,120	44,120	-	-	44,120	-	-		
<b>Grand Total (I+II)</b>	<b>1,06,53,986</b>	<b>16,28,581</b>	<b>4,14,891</b>	<b>1,18,67,676</b>	<b>54,62,842</b>	<b>34,12,020</b>	<b>1,95,629</b>	<b>86,79,233</b>	<b>31,88,443</b>	<b>51,91,144</b>		
Previous Year	83,21,328	23,90,658	58,000	1,06,53,986	33,54,396	21,20,928	12,482	54,62,842	51,91,144			



9 NON- CURRENT INVESTMENTS

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
<b>Trade Investments ( valued at cost)</b>		
<u>Unquoted Equity Instruments</u>		
Investment in Subsidiaries:		
NIL (March 31, 2014: 50,000) Equity shares of ₹ 10 each fully paid up in DGEN Transmission Company Ltd.	-	5,00,000
50,000 (March 31, 2014: 50,000) Equity shares of ₹ 10 each fully paid up in Ballabgarh-GN Transmission Company Ltd.	5,00,000	5,00,000
50,000 (March 31, 2014: 50,000) Equity shares of ₹ 10 each fully paid up in Tanda Transmission Company Ltd.	5,00,000	5,00,000
50,000 (March 31, 2014: NIL) Equity shares of ₹ 10 each fully paid up in Chhatisgarh-WR Transmission Company Ltd.	5,00,000	-
50,000 (March 31, 2014: NIL) Equity shares of ₹ 10 each fully paid up in Sipat Transmission Ltd.	5,00,000	-
50,000 (March 31, 2014: NIL) Equity shares of ₹ 10 each fully paid up in Raipur-Rajnandgaon-Warora Transmission Company Ltd.	5,00,000	-
50,000 (March 31, 2014: NIL) Equity shares of ₹ 10 each fully paid up in Mohindergarh-Bhiwani Transmission Company Ltd.	5,00,000	-
50,000 (March 31, 2014: NIL) Equity shares of ₹ 10 each fully paid up in South Central East Delhi Power Transmission Company Ltd.	5,00,000	-
<b>TOTAL</b>	<b>35,00,000</b>	<b>15,00,000</b>

Note: The Company has incorporated wholly owned Special Purpose Vehicle in respect of Integrated Transmission Project for which the Company is appointed as bid process co-ordinator by Ministry of Power, Government of India. DGEN Transmission Company Limited was disinvested. Details are given below:

Name of the Company	Date of Incorporation	Date of Disinvestment
1 DGEN Transmission Company Limited	November 15, 2011	March 17, 2015
2 Ballabgarh-GN Transmission Company Limited	September 9, 2013	-
3 Tanda Transmission Company Limited	September 9, 2013	-
4 Sipat Transmission Limited	December 23, 2014	-
5 Mohindergarh-Bhiwani Transmission Limited	December 23, 2014	-
6 Raipur-Rajnandgaon-Warora Transmission Limited	December 23, 2014	-
7 Chhatisgarh-WR Transmission Limited	December 24, 2014	-
8 South Central East Delhi Power Transmission Co. Ltd.	February 18, 2015	-

10 DEFERRED TAX ASSETS (NET)

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
(i) Difference between carrying amounts of fixed assets in the books of account and income tax return	2,13,643	(5,18,889)
Deferred tax asset		
(i) Provision for bad & doubtful debts	8,99,783	8,99,783
(ii) Provision for employee benefits	32,75,504	51,12,795
<b>Deferred tax Assets (Net)</b>	<b>43,88,930</b>	<b>54,93,689</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**11 LOANS AND ADVANCES**

Particulars	(Amount in ₹)			
	Long- Term		Short- Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Security Deposit</b>				
Secured , considered good	-	-	-	-
Unsecured , considered good	-	-	4,71,400	3,37,400
Doubtful	-	-	-	-
	-	-	4,71,400	3,37,400
<b>Loans and advances to related parties</b>				
Secured , considered good	-	-	-	-
Unsecured , considered good*	-	-	3,23,75,369	3,99,00,725
Doubtful	-	-	-	-
	-	-	3,23,75,369	3,99,00,725
<b>* DGEN Transmission Company Limited</b>				
Transmission System in Odisha#	-	-	3,94,507	1,51,13,944
Transmission System for Southern Region#	-	-	4,96,641	-
Mohindergarh-Bhiwani Transmission Limited	-	-	20,58,928	-
Chattisgarh IPPs (Part-B)#	-	-	10,23,541	-
Ballabgarh-GN Transmission Company Limited	-	-	45,38,647	39,34,657
Tanda Transmission Company Limited	-	-	63,11,008	38,25,537
Sipat Transmission Limited	-	-	22,54,373	-
Raipur-Rajnandgaon-Warora Transmission Limited	-	-	16,37,851	-
Chattisgarh-WR Transmission Limited	-	-	26,46,013	-
South Central East Delhi Power Transmission Company Limited	-	-	2,31,131	-
Power Finance Corporation Limited	-	-	1,07,82,729	1,70,26,587
# ITPs of PFC Consulting Ltd. under incorporation as on Balance Sheet date	-	-	-	-
	-	-	3,23,75,369	3,99,00,725
<b>Advances recoverable in cash or kind</b>				
Secured , considered good**	-	-	8,40,000	8,40,000
Unsecured , considered good	-	-	1,04,627	1,08,241
Doubtful	-	-	-	-
	-	-	9,44,627	9,48,241
<b>** Secured against Bank Guarantee</b>				
<b>Other loans and advances</b>				
Advance Tax, TDS and FBT	-	-	1,46,10,809	1,59,63,171
Cenvat Credit & Advance Service Tax	-	-	6,82,943	39,07,696
Prepaid expenses	-	-	11,139	52,863
Recoverable from Others (Includes ₹11,18,137/- due from PFC)	-	-	11,89,369	17,61,047
	-	-	1,64,94,260	2,16,84,777
<b>Advances to Employees</b>				
Secured , considered good	-	-	-	-
Unsecured , considered good	63,42,058	44,54,607	41,92,638	42,25,702
Doubtful	-	-	-	-
	63,42,058	44,54,607	41,92,638	42,25,702
<b>TOTAL</b>	<b>63,42,058</b>	<b>44,54,607</b>	<b>5,44,78,294</b>	<b>6,70,96,845</b>



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)  
CIN: U74140DL2008GOI175858  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**12 OTHER NON-CURRENT ASSETS**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Term deposits with banks with maturity of more than twelve months	932,700,000	273,619,000
<b>TOTAL</b>	<b>932,700,000</b>	<b>273,619,000</b>

**13 TRADE RECEIVABLES\***

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
<u>Debts Outstanding for a period exceeding six months from the date they are due for payment</u>		
Secured Considered Good	-	-
Unsecured Considered Good	53,185,516	9,691,050
Doubtful	2,647,200	2,647,200
Total	55,832,716	12,338,250
Less: Provision for bad and doubtful debts	2,647,200	2,647,200
	53,185,516	9,691,050
<u>Other Debts</u>		
Secured Considered Good	-	-
Unsecured Considered Good	124,630,623	81,408,308
Doubtful	-	-
	124,630,623	81,408,308
<b>TOTAL</b>	<b>177,816,139</b>	<b>91,099,358</b>

\* Trade Receivables include amount due from Holding Company- 80,54,397/- (Previous Year- ₹ 3,68,80,902/-). Further, ₹ 1,11,98,276/- (Previous Year ₹ 1,58,75,606/-) against Manpower Charges for Subsidiary companies, which will become due for payment on identification of successful bidder & on transfer of the subsidiary to successful bidder is considered as Other debt.

**14 CASH AND BANK BALANCES**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Cash and Cash Equivalents		
(a) Balance in current accounts with:		
Scheduled Banks	661,978	780,277
(b) Deposits Accounts with Banks with original maturity up to 3 months	10,000,000	-
(c) Cheques in Hand	-	-
	10,661,978	780,277
Other Bank Balances		
Deposits Accounts with Banks with maturity more than 3 months but less than 12 months	309,509,000	875,115,749
	309,509,000	875,115,749
<b>TOTAL</b>	<b>320,170,978</b>	<b>875,896,026</b>

**15 OTHER CURRENT ASSETS**

Particulars	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
Interest Accrued but not due on Term Deposits with banks	55,729,884	28,064,874
Interest Accrued but not due from Subsidiaries	1,847,202	5,039,328
Amount Receivable from clients (Net) (Refer Note-36)	4,077,352	7,216,772
<b>TOTAL</b>	<b>61,654,438</b>	<b>40,320,974</b>



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**16 REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
From Consultancy Services	36,71,20,042	35,65,22,912
Other Operating Income	60,00,000	9,04,60,000
<b>TOTAL</b>	<b>37,31,20,042</b>	<b>44,69,82,912</b>

**17 OTHER INCOME**

(Amount in ₹)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest from Banks	11,45,60,307	9,93,25,270
Interest from Subsidiary Companies	52,74,067	55,96,393
Processing Fee	9,43,396	-
Miscellaneous Income	64,082	15,841
<b>TOTAL</b>	<b>12,08,41,852</b>	<b>10,49,37,504</b>



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)  
CIN: U74140DL2008GOI175858

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**18 EXPENSE FOR CONSULTANCY SERVICES**

Particulars	(Amount in ₹)	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Sub Consultancy Charges	2,02,70,969	3,14,08,901
Advertisement Expenses	12,34,811	8,50,962
Conference & Meeting Expenses	-	5,08,474
<b>TOTAL</b>	<b>2,15,05,780</b>	<b>3,27,68,337</b>

**19 EMPLOYEE BENEFITS EXPENSE**

Particulars	(Amount in ₹)	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Salaries and Allowances	5,71,39,158	5,26,03,028
Performance Related Pay & Other	1,33,53,454	77,05,796
Contribution to Provident and other funds:		
Contribution to Provident Fund	35,51,542	34,60,766
Contribution to Super Annuation Fund	27,05,791	25,18,540
Contribution to Gratuity Fund	40,48,664	4,71,712
Post Retirement Medical Benefits	23,24,304	6,40,146
Staff Welfare	51,49,031	23,68,322
<b>TOTAL</b>	<b>8,82,71,944</b>	<b>6,97,68,310</b>



**PFC CONSULTING LIMITED**  
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**20 OTHER EXPENSES**

(Amount in ₹)		
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Payment to Auditors:		
As Auditor	2,00,000	3,00,000
Certification Charges	-	1,00,000
Reimbursement of Expenses	20,000	10,000
Tax Audit Fee	60,000	75,000
Administrative Expenses	1,18,767	2,29,741
Advertisement Expenses	18,32,040	-
Assets Written Off	83,965	33,523
Bank Charges	9,856	2,330
Books & Periodicals	13,903	4,669
CSR Expenditure (Refer Note 42)	80,90,403	-
Electricity & Water charges	16,88,085	15,67,026
Entertainment Expenses	6,95,521	5,11,619
Festival Celebration Expenses	17,909	76,226
Insurance	38,576	60,883
Interest paid on TDS & Income tax	6,93,979	2,947
Legal & Professional Expenses	5,34,254	3,59,760
Meeting Expenses	10,02,139	6,88,552
Miscellaneous Expenses	20,001	39,231
Office Maintenance Expenses	8,74,529	5,55,183
Office Rent	16,13,807	29,80,843
Outsourcing Expenses	37,98,911	22,75,415
Postage, Telegraph	1,16,153	2,37,834
Printing & Stationary	5,58,298	4,88,910
Provision for bad and doubtful debts	-	26,47,200
Rates & Taxes (including House Tax & Ground Rent)	11,47,614	24,66,737
Repairs & Maintenance	76,701	1,78,069
Security Expenses	97,728	1,67,104
Site Office Expense	4,08,630	8,83,293
Telephone Expenses	12,16,934	12,48,851
Training Expenses	7,11,484	16,35,599
Travelling & Conveyance	1,38,34,959	1,25,82,247
Usage Charges for Assets (Allocated by PFC)	51,18,223	39,99,923
Vehicle Hiring and Running Expenses	27,28,066	21,14,493
<b>TOTAL</b>	<b>4,74,21,435</b>	<b>3,85,23,209</b>

**21 PRIOR PERIOD ITEMS (NET)**

(Amount in ₹)		
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Income	35,709	-
Expenditure	(79,095)	(1,89,216)
<b>TOTAL</b>	<b>(43,386)</b>	<b>(1,89,216)</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- 22 Employees of the Company are on secondment from Holding Company (PFC Limited). Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with PFC Ltd. As per the agreement, amount equivalent to a fixed percentage of Basic & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, leave encashment, long service award, economic rehabilitation scheme and other terminal benefits. The contribution for terminal benefits of employees on deputation from NTPC Limited has been paid to NTPC limited as per their policy in this regard.
- 23 In accordance with Significant Accounting policy no. 2-I, Power Finance Corporation Limited (The Holding Company) has charged for Employees Benefits on account of Leave Encashment Unavailed ₹ 4,56,343/- (PY ₹ 32,39,589/-), Gratuity to Staff ₹ 40,48,664/- (PY ₹ 4,71,712/-), Post Retirement Medical Benefits ₹ 23,24,304/- (PY ₹ 6,40,146/-), Long Term Service Award ₹ 7,61,810/- (PY ₹ 5,01,362), Baggage Allowance ₹ 11,133/- (PY ₹ 5,781/-), Economic Rehabilitation Scheme ₹ (-)4,004/- (PY ₹ 43,846/-) which is duly paid by company. These figures are after giving effect of adjustments for previous years of ₹ 42,00,117/- charged in FY 2014-15 (as per fixed percentage contribution of the aggregate of basic pay and DA) with retrospective effect from 2008-09 to 2013-14. The salaries, allowances and other benefits of the employees have been directly paid by the company to the concerned employees.
- 24 The following common expenses (inclusive of service tax) have been provided in the books of account as charged by Power Finance Corporation Limited, (the Holding Company):-

Particulars	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
Usage Charges for Assets	51,18,223	39,99,923
Electricity & Water Charges	16,83,703	12,51,550
House Tax & Ground Rent	11,47,614	24,66,737
Insurance (Other than vehicles)	38,576	60,883
Postage & Telegram	-	56,386
Administrative Expenses (Hindi Promotion Expenses)	1,09,267	-
Training Expenses	60,329	-
Legal & Professional Expenses (PF audit Fee)	10,714	10,714
Sundry Expenses	4,67,785	3,52,696
Telephone Expenses	1,27,570	1,38,957
<b>Total</b>	<b>87,63,781</b>	<b>83,37,846</b>

- 25 Commitments to the extent not provided for :  
Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ NIL (Previous Year- ₹ NIL).
- 26 Contingent liabilities  
Amount for which the company is contingently liable -  
The company had opted for Voluntary Compliance Encouragement Scheme 2013 in terms of Section 106 of Finance Act, 2013. A show cause notice (SCN) was received as to why the application made be not rejected has been duly contested by the company. The financial implication if any, consequent to the decision on the subject cannot be ascertained. The liability if any, that may arise shall be considered at the time of final disposal of the said SCN.
- 27 The Company is operating in a single segment i.e. providing consultancy services and is operating within India therefore no further disclosures are required as per Accounting Standard-17 on Segment Reporting.
- 28 Wherever any expenditure is shared with the Holding Company, procedural and statutory requirements in respect of deduction of Tax at Source and other statutory compliances as applicable are complied by the Holding Company.
- 29 In view of the nature of assets held by the company and the rate of depreciation charged thereon, in the opinion of the management no further provision for impairment of assets is necessary.
- 30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (Based on the available information with the company):

Particulars	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	1,92,296	10,14,883
- Interest due on above	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

31 Auditors Remuneration:

Particulars	Year Ended March 31, 2015			Year Ended March 31, 2014		
	Fees	Service Tax	Total	Fees	Service Tax	Total
Audit Fee *	2,00,000	24,720	2,24,720	3,00,000	37,080	3,37,080
Tax Audit Fee	60,000	7,416	67,416	75,000	9,270	84,270
Certification	-	-	-	1,00,000	12,360	1,12,360
Reimbursement of Expenses	20,000	2,472	22,472	10,000	1,236	11,236

\* For FY 2013-14 Audit Fees is inclusive of Half Yearly Audit Fees of ₹ 1,00,000/-.



- 32 The Company has adopted operating cycle of 12 months. The classification of current & Non-Current is based on above operating cycle
- 33 The balances of debtors/creditors are as per the books of accounts of the company. The company has sent letters to various parties included under these heads for confirmation of their balances as per the books of accounts of the company for which confirmations from some of respective parties is awaited.
- 34 As per Accounting Standard 21 para 11 a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is incorporated and held exclusively with a view to its subsequent disposal in the near future. Therefore the financial statements of the subsidiary companies are not consolidated with the financial statements of the Company.

35 Incorporation of Subsidiary Company

The Company has incorporated its five wholly owned subsidiaries during the FY 2014-15 namely:

Sipat Transmission Limited on December 23, 2014  
Raipur-Rajnandgaon-Warora Transmission Limited on December 23, 2014  
Mohindergarh- Bhiwani Transmission Limited on December 23, 2014  
Chhatisgarh-WR Transmission Limited on December 24, 2014  
South Central East Delhi Power Transmission Limited on February 18, 2015

All the subsidiary companies were incorporated with an authorized share capital of ` 5 lacs each to act as SPVs for developing of ITPs and transferring the same to successful bidders through the international bidding process. PFCCCL has invested ` 5 lacs each in equity shares of all the SPVs. The first accounting year of all the five SPVs will be from their Date of Incorporation to March 31, 2015.

- 36 The value of invoices raised pursuant to execution of contract agreement/ issue of letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ` 4,08,93,306/- (Previous Year ` 6, 60, 50,421/-) has been setoff from amount Receivable from clients (asset) amounting to ` 4,49,70,658/- (Previous year ` 7,32,67,193/-) respectively.

- 37 The disclosure as per Accounting Standard 18 Related Party Disclosure: -

The PFC Consulting Ltd is a wholly owned subsidiary of Power Finance Corporation Ltd. In light of the nature of business of consultancy and to facilitate day to day operations for further growth of the company, full powers (other than those exercisable in Board) have been delegated to the Chief Executive Officer (CEO) of the company by the Board of Directors.

(a) Name and nature of the relationship of the related parties: -

S. No.	Nature of Relationship	Name of the Related Party		
1	Holding Company	Power Finance Corporation Limited		
2	Subsidiaries	DGEN Transmission Company Limited (Till March 17, 2015) (Formerly DGEN & Ultrakhand Transmission Company Limited) Ballabgarh-GN Transmission Company Limited Tanda Transmission Company Limited Sipat Transmission Limited Raipur-Rajnandgaon-Warora Transmission Limited Mohindergarh- Bhiwani Transmission Limited Chhatisgarh-WR Transmission Limited South Central East Delhi Power Transmission Limited		
3	Fellow Subsidiaries i.e. Subsidiary of Holding Company	Chhatisgarh Surguja Power Limited (Formerly Akaltara Power Limited) Coastal Karnataka Power Limited Coastal Maharastra Mega Power Limited Orissa Integrated Power Limited Coastal Tamil Nadu Power Limited Sakhigopal Integrated Power Company Limited Ghogarpalli Integrated Power Company Limited Taliya Andhra Mega Power Limited Deoghar Mega Power Limited Cheyyur Infra Limited Odisha Infrapower Limited PFC Green Energy Limited PFC Capital Advisory Services Limited Power Equity Capital Advisors Private Limited		
4	Key Managerial Personnel:			
	The Key Managerial personnel (KMP) of the Company are employees of the Holding Company (PFC) deployed on part time basis except C.E.O. who is on full time basis. No sitting fees has been paid to the directors. The details of such key Management Personnel are as follows:			
S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri M. K. Goel	Chairman	13.09.2013	Continuing
2	Shri R.Nagarajan	Director	21.10.2008	Continuing
3	Shri A. K. Agarwal	Director	23.09.2013	Continuing
4	Shri C. Gangopadhyay*	CEO	03.12.2013	Continuing

\* CEO is not a KMP as per provision of Companies Act, 2013



## (b) Details of related parties transactions: -

(Amount in ₹)

S.No.	Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
1	Consulting Income (Excl Service Tax)					
	Year Ended March 31, 2015	11,40,26,053	3,92,08,458	-	-	15,32,34,511
	Year Ended March 31, 2014	12,08,19,439	15,56,19,560	-	-	27,64,38,999
2	Other Operating Income (Sale of RfQ/RfP)					
	Year Ended March 31, 2015	-	60,00,000	-	-	60,00,000
	Year Ended March 31, 2014	7,00,60,000	-	-	-	7,00,60,000
3	Remuneration Paid					
	CEO					
	Year Ended March 31, 2015	-	-	-	40,34,023	40,34,023
	Year Ended March 31, 2014	-	-	-	58,16,380	58,16,380
4	Payment of Expenses					
	Year Ended March 31, 2015	87,63,781	-	-	-	87,63,781
	Year Ended March 31, 2014	83,37,846	-	-	-	83,37,846
5	Investment in Subsidiaries during the year					
	Year Ended March 31, 2015	-	25,00,000	-	-	25,00,000
	Year Ended March 31, 2014	-	10,00,000	-	-	10,00,000
6	Interest Income					
	Year Ended March 31, 2015	-	52,74,067	-	-	52,74,067
	Year Ended March 31, 2014	-	55,96,393	-	-	55,96,393
7	Closing Balances					
(i)	Investments					
	As At March 31, 2015	-	35,00,000	-	-	35,00,000
	As At March 31, 2014	-	15,00,000	-	-	15,00,000
(ii)	Sundry Debtors					
	As At March 31, 2015	80,54,397	1,11,98,276	-	-	1,92,52,673
	As At March 31, 2014	3,68,80,902	1,58,75,606	-	-	5,27,56,508
(iii)	Amount Recoverable					
	As At March 31, 2015	1,19,00,866	1,96,77,951	-	-	3,15,78,817
	As At March 31, 2014	1,85,72,534	2,28,74,138	-	-	4,14,46,672

\*the billing in respect of the work done (including developing RFP documents) for subsidiary company has been done to the respective subsidiary company.

- 38 In terms of Accounting Standard 20 on "Earnings per Share" prescribed under the Companies Act 2013 Earning per share (Basic & Diluted) is worked out as follows: -

S. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1	Nominal Value of share (₹)	10	10
2	Number of Equity shares (No.)	50,000	50,000
3	Net Profit after tax (₹)	21,70,39,283	26,95,95,365
4	Basic Earning per share (₹)	4,341	5,392
5	Diluted Earning per share (₹)	4,341	5,392

- 39 Details of provisions as required in Accounting Standard - 29 are as under:

Provision for		(Amount in ₹)			
		Opening Balance	Addition during the period	Paid/ adjusted during the year	Closing Balance
Bonus & Incentive, Base Line Contribution	Current Year	1,50,42,056	96,36,671	1,50,42,056	96,36,671
	Previous Year	2,54,11,568	1,38,70,413	2,40,39,925	1,50,42,056
Income Tax	Current Year	-	11,51,48,480	11,25,46,395	26,02,085
	Previous Year	28,03,753	14,02,15,822	14,30,19,575	-



40 Transactions in foreign currency -

(i) Income/Receipts

On transfer of DGEN Transmission Company Limited (Wholly owned Subsidiary Company of PFCCL) to Successful Bidder (Instalaciones Inabensa S. A., Spain) EUR 1156366.4 equivalent to ₹ 7,63,78,000/- (Rupees Seven Crores Sixty Three Lakhs Seventy Eight Thousand Only) was received, out of which Euro 11,48,796.37 equivalent to ₹ 7,58,78,000/- was towards reimbursement of expenditure plus 1% of the total Project Cost (Previous Year- Nil) and Euro 7,570.03 equivalent to ₹ 5,00,000/- was towards Sale of Shares at Par (Previous year- ₹ NIL).

(ii) Expenditure in foreign currency- Nil (Previous Year- Nil)

41 Operating Lease:

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and Premises for residential use of employees and are usually renewable on mutually agreed terms, and are cancellable. Lease payments in respect of premises for offices ₹ 16,13,807/- (Previous year ₹ 29,80,843/-) are included under 'Office Rent' in Note 20- Other Expenses and in respect of Premises for residential use of employees ₹ 30,58,016 /- (Previous Year ₹ 30,42,025/-) towards lease payments, net of recoveries are included in Salary & Allowances in Note 18 - Employee Benefit Expenses.

42 Pursuant to the requirements of the Companies Act 2013, followed by clarification from Department of Public Enterprises (DPE), the Company formulated its CSR policy during the year. Accordingly an amount of ₹ 80,90,403/- (previous year ` Nil) has been recognised in the Statement of Profit & Loss towards CSR expenditure which is above the requirement of 2% or more of the average net Profit Before Tax (PBT) earned by the Company during the three immediately preceding financial years. Out of this, ₹ 64,72,322/- (previous year ` Nil) has been disbursed during the year against CSR activities. As on 31.03.2015, the CSR provisions stands at ₹ 16,18,081/- (previous year ₹ Nil) after adjusting an amount of ₹ 64,72,322 crore (previous year ₹ Nil) during the year on account of CSR claims.

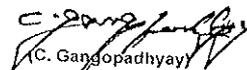
43 As required by Schedule II of Companies Act 2013, the company has charged depreciation on fixed asset based on the remaining useful life (as prescribed under Schedule-II) for financial year 2014-15. Further as per the transitional provision of note 7(b) of Schedule II, ₹ 46,092/- (Net of Deferred Tax ₹ 23,734/-) representing the written down value of assets less residual value in respect of assets having completed useful life as on 01.04.2014 has been adjusted against opening balance of retained earnings of the company

44 There is no financial impact of change in accounting policy relating to taxes on income (Note- 2 k) and Sale of RIQ/RfP Documents (Note- 2 i (viii))

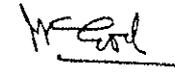
45 In the opinion of the management the value of current assets loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2015.

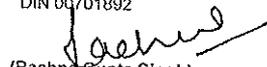
46 Corresponding figures for the previous year have been regrouped/rearranged wherever necessary to conform to current year's classification. Figures have been rounded off to the nearest rupees unless otherwise stated.

For and on behalf of Board of Directors

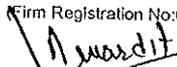
  
(C. Gangopadhyay)  
CEO  
DIN 02271398

  
(R. Nagarajan)  
Director  
DIN 00701892

  
(M. K. Goel)  
Chairman  
DIN 00239813

  
(Rachna Gupta Singh)  
Company Secretary

As per our report of even date  
For Serva Associates  
Chartered Accountants  
Firm Registration No:000272N)

  
(Amarjit Verma)  
Partner  
M. No. 83520



Place: - New Delhi  
Date: - 18.05.2015

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

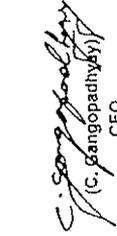
AOC-1 (Subsidiaries - SPVs)

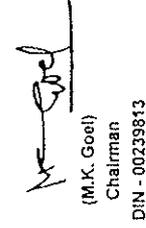
Form AOC 1													
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)													
PART "A": Subsidiaries - SPVs													
S No.	Name of the Subsidiary / SPV	Reporting period	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Baliabgarh-GN Transmission Company Limited	1.04.14-31.03.15	0.0500	(0.0029)	0.6239	0.5768	-	-	-	-	-	-	100
2	Tanda Transmission Company Limited	1.04.14-31.03.15	0.0500	(0.0029)	1.1086	1.0615	-	-	-	-	-	-	100
3	Sipal Transmission Limited	23.12.14-31.03.15	0.0500	(0.0035)	0.5061	0.4596	-	-	(0.0035)	-	(0.0035)	-	100
4	Raipur-Rajnandgaon-Warora Transmission Limited	23.12.14-31.03.15	0.0500	(0.0035)	0.3820	0.3355	-	-	(0.0035)	-	(0.0035)	-	100
5	Mohindergam-Bhiwani Transmission Limited	23.12.14-31.03.15	0.0500	(0.0036)	0.4373	0.3909	-	-	(0.0036)	-	(0.0036)	-	100
6	Chhatisgam-WR Transmission Limited	24.12.14-31.03.15	0.0500	(0.0035)	0.5146	0.4681	-	-	(0.0035)	-	(0.0035)	-	100
7	South-Central East Delhi Power Transmission Limited	18.02.15-31.03.15	0.0500	(0.0034)	0.0977	0.0511	-	-	(0.0034)	-	(0.0034)	-	100

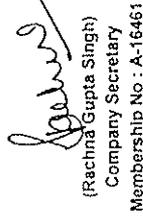
Note:-

- The Company does not have any foreign subsidiary.
- Turnover is considered as Income from Operations.
- All the SPVs are under pre-operative stage and yet to commence operations.
- DGEN Transmission Company Limited (Wholly owned subsidiary company of PFCC Limited) has been transferred during the year.

For and on behalf of the Board of Directors

  
C. Sangopadhyay  
CEO  
DIN - 02271398

  
(M.K. Goel)  
Chairman  
DIN - 00239813

  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : A-16461

Signed in terms of our report of even date attached

For Serva Associates  
Chartered Accountants

Firm Regn. No. - 000273



(Amarjit Verma)  
Partner

Membership No - 83520

Place : New Delhi  
Date: 18.05.2015

**PFC CONSULTING LTD.**

(A wholly owned subsidiary of Power Finance Corporation Ltd.)

**Regd. Office:** First Floor, Urjanidhi, 1, Barakhamba Lane, Connaughta Place New Delhi-110001  
Tel: 011-23456100 Fax: 011-23456170  
Website: [www.pfcindia.com](http://www.pfcindia.com) Email: [pfcconsulting@pfcindia.com](mailto:pfcconsulting@pfcindia.com)