PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

11TH ANNUAL REPORT

(2018-19)

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rajeev Sharma	Chairman
Shri N.B. Gupta	Director
Shri P.K. Singh	Director
Shri R.S. Dhillon	Director

CHIEF EXECUTIVE OFFICER
Shri Yogesh Juneja

COMPANY SECRETARY
Shri Manish Kr. Agarwal

SUBSIDIARIES
Tanda Transmission Company Limited
Ballabhgarh-GN Transmission Company Limited
Mohindergarh-Bhiwani Transmission Limited
South-Central East Delhi Power Transmission Limited
Bijawar-Vidarbha Transmission Limited
Shongtong Karcham-Wangtoo Transmission Limited
Vapi II-North LakhimpurTransmission Limited
Bikaner-Khetri Transmission Limited
Bhuj-II Transmission Limited
Fatehgarh-II Transco Limited
Lakadia-Vadodara Transmission Project Limited
Meerut-Simbhavali Transmission Limited

STATUTORY AUDITORS
M/s. Khanna & Annadhanam, Chartered Accountants

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

REGISTERED OFFICE
First Floor, Urjanidhi, 1,
Barakhamba Lane,
Connaught Place,
New Delhi-110001.
Tel. 011-23456000

CORPORATE OFFICE
9th Floor ('A' Wing)
Statesman House Building
Barakhamba Road,
Connaught Place,
New Delhi - 110 001.
Tel: 011-23443900
Fax: 011-23443990

WEBSITE:
www.pfcclindia.com

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

LETTER TO SHAREHOLDERS

Dear Members,

It gives me great pleasure in welcoming you all to the 11th Annual General Meeting of your Company.

OUTLOOK ON POWER SECTOR

India's power sector is undergoing a noteworthy change, and this has redefined the industry outlook. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as favorable government policy. The government has implemented various progressive measures to maximise power generation capacity and improve distribution.

- **Generation:**

As on March 31, 2019, India's total installed capacity was 3,56,100 MW. Thermal sources continued to have a dominant share at around 63% (2,26,279 MW), Hydro around 13% (45,399 MW), Renewable around 22% (77,642 MW) and Nuclear around 2% (6780 MW). The installed capacity stood at around 30% (1,05,076 MW) in state sector, around 46% (1,64,428 MW) in private sector and around 24% (86,596 MW) in central sector. The capacity addition target for the FY 2018-19 was set at 8106 MW. However, a capacity addition of 5921 MW has been achieved during the FY 2018-19.

- **Transmission:**

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system, augmentation of the National Grid and enhancement of the transmission system network are required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

At the end of the fiscal 2019, our country had an extensive transmission network spanning 41,34,07 Ckms (at the 220 kV and above voltage levels). Further against a target of adding 22,647 Ckms of transmission lines for FY 2018-19, 22,437 Ckms have been achieved.

- **Distribution:**

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. At the same time this is also true that Power distribution is the weakest link in the electricity supply chain. It assumes great significance as this segment has a direct impact on the sector's commercial viability, and ultimately on the consumers who pay for power services.

Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states. Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector. Several initiatives have been introduced to reduce aggregate technical and commercial (AT&C) losses along with a definitive regulatory framework. Electricity Act 2003, National Electricity Policy

2005 and National Tariff Policy 2006 are important regulations governing the sector today with an aim to bring competition in the sector and improve the services to the end consumers.

Further, Government of India launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) for development of rural and urban distribution sector. Also Government of India has launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme which aims to ensure electrification of households in the country. With Government of India's push for reforming distribution sector and that the substantial investments have been made, this has resulted in reduction in gap between ACS and ARR and reduction in AT&C losses.

PERFORMANCE HIGHLIGHTS

During the financial year under review, the total income of the Company has decreased from ₹ 7,973.23 Lakh to ₹7,017.40 Lakh showing a decrease of 11.99%. However income from consultancy assignments other than from fee on transfer of ITPs increased from ₹ 1,699 Lakh to ₹ 2,771 Lakh.

During the year, the Company has earned other income of ₹1,260.12 Lakh as compared to ₹1,928.04 lakh of previous year.

OPERATIONAL HIGHLIGHTS

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.

PFCCL has worked on over 125 assignments for 62 Clients spread across 24 States/UTs namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Telangana, Tripura, Uttar Pradesh and West Bengal.

Your company has been appointed as Bid Process Coordinator by Govt. of Uttar Pradesh for their Intra state Transmission Project. In this regard Obra-C Badaun Transmission Limited, transmission project for "Evacuation of power from Obra-C (2x660 MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated Transmission Lines" has been transferred to Adani Transmission Limited (Successful bidder) on 21.12.2018 after successfully completion of bidding process. Further Meerut Simbhavali Transmiision Limited (SPV) has been incorporated for transmission Project "Construction Of 765/400/220 KV GIS Substation, Meerut With Associated Lines and 400/220/132 KV GIS Substation, Simbhaoli with Associated Transmission Lines". The bidding for the said project is under process.

DEEP PORTAL

Ministry of Power (MoP) also appointed PFCCL as the Authorized Representative for DEEP e-bidding portal. As on 31st July, 2019 after successful bidding on DEEP portal, Letter of Intent was issued for for 5,57,022 MW for Short term power Procurement, 2353 MW for Medium term and 3900 MW for coal flexibility.

Further, MoP appointed PFCCL as the Nodal Agency and PTC as aggregator for Procurement of Aggregate Power of 2500 MW on competitive basis for 3 (three) years under medium term i.e. from generators with commissioned projects but without Power Purchase Agreement – Pilot Scheme. Under the scheme, beneficiary states have signed PPAs for 1900 MW with eligible bidders at a tariff of Rs 4.24/kWh. Now Phase II of the Pilot PPA scheme has been launched by MoP with PFCCL as Nodal Agency. NHPC has been appointed as the Aggregator for Pilot Scheme II. Bids from 15 Companies have been finalized with a tariff of Rs. 4.41/kWh.

Ultra Mega Power Projects (UMPPs)

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super critical thermal power projects (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 to facilitate the development of these projects. PFC has authorized PFC Consulting Ltd. to undertake the entire work of UMPPs.

So far 17 (seventeen) such UMPPs have been envisaged to be located at Madhya Pradesh (Sasan), Gujarat (Mundra), Andhra Pradesh (Krishnapatnam), Jharkhand (Tilaiya), Chhattisgarh, Karnataka, Maharashtra (Munge), Tamil Nadu (Cheyyur), Odisha (Sundargarh), Bihar (Banka), Uttar Pradesh, 2nd UMPP in Andhra Pradesh, 2 Additional UMPPs in Odisha and 2nd UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

Till date, Nineteen (19) Special Purpose Vehicles (SPVs) have been established by the PFC for UMPPs. Out of these, fourteen (14) SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPP and Cheyyur UMPP). Cheyyur UMPP has been shifted from Imported Coal to Domestic Coal. Further, Out of Eight Procurer States Six States (i.e. Telangana, Maharashtra, Kerala, Andhra Pradesh, U.P and Punjab totaling 1400 MW) has considering to opt out. These SPVs would be transferred to the respective procurers of power from these projects.

As decided by Ministry of Power, the action for wind up /strike off the name of Tatiya Andhra Mega Power Limited, Chhattisgarh Surguja Power Limited and Coastal Maharashtra Mega Power Limited has been initiated.

Your Company 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 SBDs documents and revising the same. The Expert Committee has submitted its reports and revised Standard Bidding Documents for Ultra Mega Power Projects. These documents have undergone extensive consultation with all stakeholders and are under finalization.

Independent Transmission Projects (ITPs)

In addition to the 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.

Since the date of last Boards' Report, MoP appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for the following new Transmission Schemes:

S.No.	Scheme Name	SPV	Date of Incorporation
1.	WRSS-21 (Part B) Transmission System Strengthening for relieving over loadings observed in Gujrat Intra-State system due to RE injections in Bhuj PS	Lakadia- Vadodara Transmission Project Limited	15th March,2019

2.	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujrat,	Bhuj-II Transmission Limited	25th Feb,2019
3.	Transmission System associated with LTA applications from Rajasthan SEZ Part-B	Fatehgarh-II Transco Limited	26th Feb,2019
4.	Transmission System associated with LTA applications from Rajasthan SEZ Part-D	Bikaner-Khetri Transmission Limited	22nd Feb,2019

After completion of bidding process LoI for Lakadia- Vadodara Transmission Project Limited, Bhuj-II Transmission Limited and Bikaner-Khetri Transmission Limited were issued to Sterlite Grid 18 Limited, Power Grid Corporation of India Limited and Adani Transmission Limited respectively on 31.07.2019. RfP for Fatehgarh-II Transco Limited was submitted on 29th August, 2019.

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. During the Financial Year 2018-19, your Company has disbursed an amount of ₹1.33 Crore towards the 'Swacch Bharat Kosh' set up by the Central Government.

CORPORATE GOVERNANCE

Your Company firmly believes that good Corporate Governance generate value on a sustainable basis for the stakeholder. Concept of Corporate Governance ensures values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. PFCCL is committed to observe Corporate Governance practices at different levels to achieve its objectives. Through the Governance mechanism in the Company the Board along with its Committee undertakes its fiduciary responsibilities to its stakeholders by ensuring transparency, fairplay and independence in its decision making.

Your 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.

ACKNOWLEDGEMENTS

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.

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 Comptroller & Auditor General of India, Ministry of Power, Government of India, Statutory Auditors, Bankers and Power Finance Corporation Limited (Holding Company) for their unstinted co-operation and support. I must also thank all the motivated and highly committed workforce of the Company.

Sd/-
(Rajeev Sharma)
Chairman
DIN No. 00973413

PFC CONSULTING LIMITED
(A wholly owned subsidiary of Power Finance Corporation Limited)
CIN: U74140DL2008GOI175858
Regd. Office: First Floor, Urjanidhi, 1-Barakhamba lane, Connaught Place, New Delhi – 110001.

NOTICE

Notice is hereby given that the 11th Annual General Meeting of PFC Consulting Limited will be held on **Wednesday, the 18th day of September, 2019 at 03:30 P.M.** at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi-110001, at Shorter Notice to transact the following business(s):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019, along with the Auditor's Report and Board's Report thereon.

2. To appoint a Director in place of Shri Naveen Bhushan Gupta (DIN 00530741), 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/to be appointed by Comptroller and Auditor General of India for the Financial Year 2019-20, as may be deemed fit by the Board."

SPECIAL BUSINESS:

4. To appoint Shri Praveen Kumar Singh (DIN 03548218) as Director of the Company 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** in accordance with the provisions of Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri Praveen Kumar Singh, (DIN 03548218) who was appointed as an Additional Director w.e.f. 17th September, 2018 and who hold office upto the date of ensuing Annual General Meeting, being eligible, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To appoint Shri Ravinder Singh Dhillon (DIN 00278074) as Director of the Company 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** in accordance with the provisions of Section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri Ravinder Singh Dhillon (DIN 00278074), who was appointed as an Additional Director w.e.f. 2nd August, 2019 and who hold office upto the date of ensuing Annual General Meeting, being eligible, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To maintain statutory registers of the company at a place other than Registered office and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

"**RESOLVED THAT** in pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, including any statutory modification and re-enactment thereof, the approval be and hereby accorded that the statutory registers of the Company be maintained at a place other than Registered office of the Company i.e. "9th Floor Statesman House, Barakhamba Road, Connaught Place, New Delhi 110001"

By order of the Board of Directors
For PFC Consulting Limited

Manish Kumar

(Manish Kr. Agarwal)
Company Secretary
FCS No. 5048

Date: 12.09.2019
Place: New Delhi

Notes:

1. **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 of the Company.** Pursuant to the provisions 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 to Annual Report. Proxy so appointed shall not have any right to speak at the meeting.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4,5 & 6 of the Notice is annexed hereto. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the persons seeking re-appointment as Director under item No. 2,4 & 5 of the Notice are also annexed.

3. All relevant documents including Statutory Registers will be open for inspection by Members at the venue of AGM.

4. 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/to be appointed by the Comptroller and Auditor General of India for the Financial Year 2019-20.

5. The Annual Report along with the Notice of Annual General Meeting is available on the Company's website **www.pfcclindia.com**.

6. In accordance with the provisions of Companies Act, 2013 and SS-2- Secretarial Standard on General Meetings, the request for consenting to shorter notice of the members for calling the Annual General Meeting is enclosed with the Notice. Further, the Annual General Meeting of the company shall be held, if the consent is received from not less than ninety five percent of the Members entitled to vote thereat.

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

Item No. 4

Pursuant to the Office Order No. 134/2018 dated 10th August, 2018 issued by HR Unit of PFC, Shri Praveen Kumar Singh has assumed the charge of Director (Commercial), PFC w.e.f. 10th August, 2017. Accordingly, Shri Praveen Kumar Singh was inducted on the Board as Additional Director w.e.f. 17th September, 2018.

Pursuant to the provision of Section 161(1) and other applicable provisions of the Companies Act 2013, Shri Praveen Kumar Singh will hold office till the date of ensuing Annual General Meeting.

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

Shri Praveen Kumar Singh is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

Item No. 5

Pursuant to the Office Order No. 212/2019 dated 12th July, 2019 issued by HR Unit of PFC, Shri R.S. Dhillon, Director (Projects), PFC was nominated as Director on the Board of the Company. Accordingly, Shri R.S. Dhillon was inducted on the Board as Additional Director w.e.f. 2nd August, 2019.

Pursuant to the provision of Section 161(1) and other applicable provisions of the Companies Act 2013, Shri R.S. Dhillon will hold office till the date of ensuing Annual General Meeting.

Your Directors recommend the resolution as contained in Item No. 5 of the Notice for approval of the members.

Shri R.S. Dhillon is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

Item No. 6

The registered office of the company is at "First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi 110001". However, company has been working from its another office at "9th Floor Statesman House, Barakhamba Road, Connaught Place, New Delhi 110001" (Referred as Statesmen House).

As the company is working its affairs from Statesmen House, all the statutory records, of the Company are required to be placed at Statesmen House.

Your Directors recommend the resolution as contained in Item No. 6 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

Manish Kumar

(Manish Kr. Agarwal)
Company Secretary
FCS No. 5048

Date: 12.09.2019
Place: New Delhi

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/ RE- APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF PFC CONSULTING LIMITED

Name of Director	**Shri N.B. Gupta**	**Shri Praveen Kumar Singh**	**Shri R.S. Dhillon**
Date of Birth	11-06-1960	20.01.1962	13.05.1963
Date of Appointment	25.08.2017	17.09.2018	02.08.2019
Relationship with Directors	None	None	None
Qualification	• B.Sc • Chartered Accountant	• B.Tech (Electrical) • M.Tech (Energy & Enviroment Management) • MBA (University of Houston)	• B. E. (Electrical)- Thapar Institute of Engineering and Technology, Patiala • M. Tech (Power Systems) Indian Institute of Technology (IIT), Delhi.
Experience	Shri Naveen Bhushan Gupta took over as Director (Finance) of Power Finance Corporation Limited in August, 2017. He joined PFC in September, 2005 and before his appointment to the Post of Director (Finance), he was working as Executive Director (Finance) in PFC. He is a member of Institute of Chartered Accountants of India. He has more than 30 years of experience in power sector. Before joining PFC, he served in various capacities in organizations like NHPC, Power Grid Corporation of India Limited also. He carries with him rich experience in the fields of Fund Management, International Finance, internal Audit, Accounts finalization. Lending Policies, resource mobilization etc.	Shri Praveen Kumar Singh has vast experience of working in power sector. Presently, Shri Singh is holding the position of Director (Commercial), Power Finance Corporation Ltd. and has been associated with PFC for last 25 years. Previously Shri Singh has worked in different capacities with BHEL and CII.	He has more than 34 years of experience in various areas of power sector. An Electrical Engineer with post-graduation in Power Systems from IIT Delhi, he had worked with Bharat Heavy Electricals Ltd. and Central Electricity Authority prior to joining PFC. In PFC, he has worked in various capacities for over 25 years, handling Project Appraisal, Business Development, Stressed Assets Revival and Monitoring of projects. Before his appointment to the post of Director (Projects), he has been working as Executive Director in PFC.
Directorships in other companies	• Power Finance Corporation Limited • Chhattisgarh Surguja Power Limited • Cheyyur Infra Limited • Coastal Tamil Nadu Power Limited • Deoghar Mega Power Limited • Bihar Mega Power Limited • Tatiya Andhra Mega Power Limited	• Power Finance Corporation Limited • REC Limited • Sakhigopal Integrated Power Co. Limited • Ghogarpalli Integrated Power Co. Limited • Jharkhand Infrapower Limited • Orissa Integrated Power Limited • Coastal Karnataka Power Limited	• Power Finance Corporation Limited • Jammu and Kashmir State Power Development Corporation Limited
Chairman/Membership of Committees across all public companies	**Power Finance Corporation Limited:** • Member, Stakeholder Relationship Committee	None	None
Number of Shares held in the company as on 31st March 2019	None	100 Equity Shares*	100 Equity Shares*

*** Nominee of Power Finance Corporation Limited**

For detail regarding number of meetings of the board attended during the year in respect of abovementioned Directors, please refer to the Board's Report.

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 11TH ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON WEDNESDAY, THE 18TH DAY OF SEPTEMBER, 2019 AT 03:30 P.M. AT "URJANIDHI", 1-BARAKHAMBA 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 : ....E-Mail ID...
Address ....
Signature :...
or failing him

1. Name : ....E-Mail ID..
Address ....
Signature :...
or failing him

1. Name : ....E-Mail ID..
Address ....
Signature :...
or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the company, to be held on Wednesday the 18th day of September, 2019 at 03:30 P.M. 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 31st March, 2019, along with the Auditor's Report and Directors' Report thereon..
2. To appoint a Director in place of Shri Naveen Bhushan Gupta, 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. To appoint Shri Praveen Kumar Singh as Director of the Company.
5. To appoint Shri Ravinder Singh Dhillon as Director of the Company.
6. To maintain statutory registers of the company at a place other than Registered office.

Signed this...... day of......... 2019

Signature of shareholder

Affix
Revenue
Stamp

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.

CONSENT OF SHAREHOLDERS FOR SHORTER NOTICE
[Pursuant to Section 101(1) of Companies Act 2013]

To
The Board of Directors
PFC Consulting Limited
First Floor, Urjanidhi
1, Barakhamba Lane, Connaught Place,
New Delhi – 110001,

I, ..., S/o ...., R/o .... holding .... Equity Shares of Rs.10/- each in the company, do hereby give consent for calling the Annual General Meeting on Wednesday, the 18th day of September, 2019 at 03:30 P.M. at a shorter notice, pursuant to the proviso of Section 101 of the Companies Act, 2013.

Signature_________________

Name: ....

Date:

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

BOARD'S REPORT 2018-19

To

The Members,

The Directors have pleasure in presenting the 11th Annual Report on the performance of your Company for the Financial Year ended 31st March, 2019 together with Audited Financial Statements and Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

(Figures in ₹ Lakh)

Sl. No.	Particulars	2018-19	2017-18	% Change
1.	Total Income	7,017.40	7,973.23	(11.99)
2.	Total Expenditure	3,852.18	3,657.31	5.33
3.	Profit Before Tax	3,165.21	4,315.92	(26.66)
4.	Provision for Tax			
	- Current Tax	974.48	1763.23	--
	- Income tax adjustment for earlier years	(68.85)	14.66	--
	- Deferred Tax	60.08	(150.36)	--
5.	Profit After Tax	2,199.51	2,688.39	(18.18)
6.	Profit brought forward from previous years	19,817.23	25,304.73	--
7.	Interim Dividend (including dividend distribution tax)	12,055.60	6,017.88	
8.	Final Dividend (including dividend distribution tax)	801.69*	2,158.01	
9.	Accumulated Profit carried to Balance Sheet	9,159.44	19,817.23	--

* Paid by PFC Capital Advisory Services Limited for FY 2017-18, the transferor company.

FINANCIAL PERFORMANCE

i) Revenue

During the financial year under review, the total income of the Company has decreased from ₹ 7,973.23 Lakh to ₹7,017.40 Lakh showing a decrease of 11.99%. However income from consultancy assignments other than from fee on transfer of ITPs increased from ₹ 1,699 Lakh to ₹ 2,771 Lakh.

During the year, the Company has earned other income of ₹1,260.12 Lakh as compared to ₹1,928.04 lakh of previous year.

ii) Expenses

During the Financial Year 2018-19, the Company had incurred total expenditure of ₹3,852.18 Lakh as against the total expenditure of ₹3,657.31 Lakh incurred last year.

iii) Profit

During the financial year 2018-19, your company earned Profit before Tax of ₹ 3,165.21 Lakh as compared to ₹ 4,315.92 Lakh for the financial year 2017-18 showing a decrease of 26.66%. The Profit after tax also decreased by 18.18%, from ₹ 2,688.39 Lakh in the previous financial year to ₹ 2,199.51 Lakh in the current financial year.

iv) Dividend

During the financial year 2018-19, your company paid, interim dividend of ₹20,000 per equity share. The interim dividend on equity shares, involved a cash outflow of ₹12,055.60 lakhs including dividend distribution tax. The same was in compliance with the provisions of Guidelines for Capital Restructuring of Central Public Sector Enterprises (CPSE) dated 27th May 2016 issued by Deptt. of Investment & Public Asset Management (DIPAM), Govt. of India.

v) Share Capital

During the financial year 2018-19, the paid-up share capital of increased from ₹ 5,00,000/- (Rs. Five Lacs only) to ₹ 5,22,460/- (Rupees Five Lakh, Twenty Two Thosand, Four Hundred and Sixty only) comprising of 52,246 equity shares of ₹ 10/- each. Upon merger of PFC Capital Advisory Services Limited (PFCCAS) with Company 2,246 no. of equity shares of ₹10/- each were allotted to the Shareholders of PFCCAS. 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 Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs). The operational highlights of PFC Consulting Limited (PFCCL) for the year under review are as follows:

i. Ministry of Power appointed PFCCL as nodal agency for Procurement of Power on competitive basis for 3 (three) years under medium term i.e. from generators with commissioned projects but without Power Purchase Agreement under Pilot Scheme-II.

ii. U.P. Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) has appointed PFCCL as consultant for assistance in transfer of 100% equity of Meja Urja Nigam Ltd to NTPC.

iii. U.P. Power Corporation Limited (UPPCL) has appointed PFCCL for the consultancy work of Takeover of M/s Sangam Power Generation Company Ltd (SPGCL) from M/s J.P Group and transferring it to U.P Power Corporation Ltd.

iv. PTC India Ltd has appointed PFCCL as consultant for Valuation of Land Bank, valuation of shares of R.S. Group entities and Detailed Analysis of land assessment.

v. MAHAGENCO appointed PFCCL for carrying out Techno-economic viability of Gare Palma Sector II coal mine project.

vi. PFCCL appointed as consultant for Assessment of Implementation of GST for Power Projects of APGENCO.

vii. UPPCL appointed PFCCL as consultant for obtaining Environmental Clearance (EC) etc (Part-2) for 2x660 MW Karchana Project (Sangam Power Corporation Ltd-SPGCL).

viii. Assam Power Generation Company appointed PFCCL for Consultancy Services for Reverse Bidding of 70MW Amguri Solar Park.

ix. BSPHCL appointed PFCCL for providing consultancy services for Energy Portfolio Management of Bihar.

x. Coal India Ltd. (CIL) appointed PFCCL as Consultant with entire process of second round of auction of coal linkages to IPPs with PPA under Scheme to Harness and Allocate Koyla (Coal) Transparently in India (SHAKTI).

xi. PFC appointed PFCCL to carry out the works related to LIE and LIA for its funded projects.

xii. U.P. Power Transmission Corporation Ltd. (UPPTCL) appointed PFCCL as the Bid Process Coordinator for Selection of Transmission Service Provider through Tariff Based Competitive Bidding Process for development of Transmission Scheme associated with "Evacuation of power from Obra-C (2x660 MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated Transmission Lines". SPV namely Obra-C Badaun Transmission Ltd. was incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Scheme on 9th August, 2018. Obra-C Badaun Transmission Limited, an SPV, was transferred to M/s Adani Transmission Limited, successful bidder identified through competitive bid process on 21st December, 2018.

xiii. PFCCL appointed as Bid Process Coordinator (BPC) for new Transmission Scheme i.e. a) Transmission System associated with LTA applications from Rajasthan SEZ Part-D, b) Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujrat, c) Transmission System associated with LTA applications from Rajasthan SEZ Part-B and d) WRSS-21 (Part B) Transmission System Strengthening for relieving over loadings observed in Gujrat Intra-State system due to RE injections in Bhuj PS to be implemented through tariff based Competitive Bidding Process. Four (4) Special Purpose Vehicle (SPV) were incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Schemes.

ULTRA MEGA POWER PROJECTS (UMPPs)

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super critical thermal power projects (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 to facilitate the 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 the result of the tariff being based on International Competitive Bidding Processes adopted for the selection of Developers.

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

So far 17 (seventeen) such UMPPs have been envisaged to be located at Madhya Pradesh (Sasan), Gujarat (Mundra), Andhra Pradesh (Krishnapatnam), Jharkhand (Tilaiya), Chhattisgarh, Karnataka, Maharashtra (Munge), Tamil Nadu (Cheyyur), Odisha (Sundargarh), Bihar (Banka), Uttar Pradesh, 2nd UMPP in Andhra Pradesh, 2 Additional UMPPs in Odisha and 2nd UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

Till date, Nineteen (19) Special Purpose Vehicles (SPVs) have been established by the PFC for UMPPs. Out of these, fourteen (14) SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPP and Cheyyur UMPP). Cheyyur UMPP has been shifted from Imported Coal to Domestic Coal. Further, Out of Eight Procurer States Six States (i.e. Telangana, Maharashtra, Kerala, Andhra Pradesh, U.P and Punjab totaling 1400 MW) has considering to opt out. These SPVs would be transferred to the respective procurers of power from these projects.

Out of these 19 (nineteen) SPVs, 4 (Four) SPVs have been transferred to the successful bidders.

UMPPs in Progress

Sl. No.	UMPP	Status	Fuel
1.	Orissa Integrated Power Ltd., Sundergarh UMPP, Odisha	On Fast Track	Domestic Coal Based
2.	Coastal Tamil Nadu Power Ltd., Cheyyur UMPP, Tamil Nadu	In Pipe Line	Domestic Coal Based*
3.	Deoghar Mega Power Ltd., Jharkhand 2nd UMPP	In Pipe Line	Domestic Coal Based
4.	Bihar Mega Power Ltd., Bihar UMPP	In Pipe Line	Domestic Coal Based
5.	Coastal Maharashtra Mega Power Ltd., Munge UMPP**	Imported Coal Based	Imported Coal Based
6.	Sakhigopal Integrated Power Company Ltd., Odisha 1st Additional UMPP@	Domestic Coal Based	Domestic Coal Based
7.	Uttar Pradesh UMPP@	Domestic Coal Based	Domestic Coal Based
8.	Gujarat 2nd UMPP@	Imported Coal Based	Imported Coal Based
9.	Coastal Karnataka Power Ltd. Karnataka UMPP@	Imported Coal Based	Imported Coal Based
10.	Tamil Nadu 2nd UMPP@	Imported Coal Based	Imported Coal Based
11.	Ghogarpalli Integrated Power Company Ltd., Odisha 2nd Additional UMPP@	Domestic Coal Based	Domestic Coal Based

*In a meeting held on 02.11.2017 between officials of MoP, PFC, CEA and Procurers, decision was taken to develop cheyyur UMPP on domestic coal.

** Government of Maharashtra requested for discontinuation of the development of Munge, UMPP under coastal Maharashtra Mega Power Limited. PFC is in the process of closure of SPV.

@ As per PFC's QPRM decision draft letters to be sent by MoP to respective State Govts. for closure of these UMPPs sent by PFCCL.

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 /strike off the name of SPV from the records of Registrar of Companies (ROC).

Further, Government of Chhattisgarh had informed that they are not keen to set up UMPP at present due to surplus power in the state and in view of the same it has been decided by the Ministry of Power for the closure of the project. The process for winding up/striking off the name of SPV from the records of Registrar of Companies (ROC) has been initiated.

INDEPENDENT TRANSMISSION PROJECTS (ITPs)

In addition to the 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, 30 (thirty) Special Purpose Vehicles (SPVs), 2 by PFC and other 28 (twenty eight) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 30 (thirty) SPVs, Bokaro-Kodarma-Maithon Transmission Company Limited was liquidated in December 2010 and 19 (nineteen) SPVs were transferred to the successful bidders till date.

Since the date of last Directors' Report, MoP appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for the following new Transmission Schemes:

S.No.	Scheme Name	SPV	Date of Incorporation
1.	Western Region Strengthening Scheme- XIX (WRSS XIX) and North Eastern Region Strengthening Scheme- IX (NERSS-IX)	Vapi II-North Lakhimpur Transmission Ltd.	25th June, 2018
2.	WRSS-21 (Part B) Transmission System Strengthening for relieving over loadings observed in Gujrat Intra-State system due to RE injections in Bhuj PS	Lakadia- Vadodara Transmission Project Limited	15th March,2019
3.	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujrat,	Bhuj-II Transmission Limited	25th Feb,2019
4.	Transmission System associated with LTA applications from	Fatehgarh-II Transco Limited	26th Feb,2019

	Rajasthan SEZ Part-B		
5.	Transmission System associated with LTA applications from Rajasthan SEZ Part-D	Bikaner-Khetri Transmission Limited	22nd Feb,2019

The RfP Evaluation for these schemes is under progress.

MoP vide Gazette Notifications dated 23.02.2018 and 11.09.2018 have de-notified the schemes for Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited respectively. Requisite action is being taken for the closure of the SPV.

The schemes Northern Region System Strengthening Scheme – XXXIII" (SPV- Ballabhgarh-GN Transmission Company Limited), and Northern Region System Strengthening Scheme-XXXV (SPV-Mohindergarh-Bhiwani Transmission Ltd) have been de-notified from tariff based bidding process. Further, the requisite documents have been filed with the Registrar of Companies for getting the names of the SPVs Strike off from the records of Registrar of Companies and status of the companies have been changed from "Active" to "Under process of strike off".

The bidding process for Bijawar-Vidarbha Transmission Limited has been kept in abeyance till resolution of financial issues pertaining to Lanco Vidarbha generation project.

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:

Clients	No.
States Utilities	35
Licensees/ Muncipal Bodies/IPPs	11
Public Sector Undertakings	9
State Governments	7
Regulatory Commissions	3
Central Govt. Departments/Ministries	3
Total	68

PFCCL has worked on over 125 assignments for 62 Clients spread across 24 States/UTs namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Telangana, Tripura, Uttar Pradesh and West Bengal.

SUBSIDIARIES

Incorporation of Subsidiary

Since the date of last Boards' Report, Six (6) companies have been incorporated for development of Transmission schemes. The details are as follows:

(i) Obra-C BadaunTransmission Limited (OBTL was incorporated on 9th August, 2018 for "Evacuation of power from Obra-C (2x660 MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated Transmission Lines. After completion of bid process the SPV was transferred to Adani Transmission Limited (Successful Developer) on 21.12.2018.

(ii) Bikaner-Khetri Transmission Limited (BKTL) was incorporated on 22nd February, 2019 for the transmission project "Transmission system associated with LTA applications from Rajasthan SEZ Part-D"

(iii) Bhuj-II Transmission Limited (BTL) was incorporated on 25th February, 2019 for the transmission project "Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat"

(iv) Fatehgarh-II Transco Limited (FTL) was incorporated on 26th February, 2019 for the transmission project "Transmission system associated with LTA applications from Rajasthan SEZ Part-B"

(v) Lakadia-Vadodara Transmission Project Limited (LVTPL) was incorporated on 25th February, 2019 for the transmission project "Transmission System strengthening for relieving over loadings observed in Gujarat Intra-state system due to RE injections in Bhuj PS"

(vi) Meerut-Simbhavali Transmission Limited was incorporated on 25th February, 2019 for the transmission project "Construction of 765/400/220 KV GIS Substation, Meerut with associated lines and 400/220/132 KV GIS Substation, Simbhavali with associated transmission lines.

Transfer of Subsidiaries

Since the date of last Boards' 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.	Obra-C BadaunTransmission Ltd.	Adani Transmission Limited	21.12.2018

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 financial statements in respect of subsidiary Companies are available on the website of the Company.

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

Ministry of Corporate Affairs, Government of India vide order dated 30.01.2019 approved the amalgamation of PFC Capital Advisory Services Limited with Company.

JOINT VENTURES AND ASSOCIATE COMPANIES

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

DIRECTORS

Since the date of last Boards' Report, following changes were made in the constitution of the Board of the Company:

- Shri P.K. Singh, Director (Commercial), PFC was appointed as additional Director of the Company w.e.f. 17th September, 2018.

- On superannuation from the services of PFC on 30th April, 2019, Shri Chinmoy Gangopadhyay ceased to be the Director of the Company w.e.f. 30th April, 2019.

- Shri R.S. Dhillon, Director (Projects), PFC was appointed as additional Director of the Company w.e.f. 2nd August, 2019.

Pursuant to the provisions of Section 161(1) of the Companies Act 2013, Shri P.K. Singh and Shri R.S. Dhillon will hold office upto the date of ensuing Annual General Meeting. The Board recommends that Shri P.K. Singh and Shri R.S. Dhillon may be appointed as a Director, liable to retire by rotation.

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

Your Board places on record its deep appreciation for the valuable contribution made by Shri Chinmoy Gangopadhyay, during his tenure as Director of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Shri Rajeev Sharma : Chairman / CMD, PFC
2. Shri N.B. Gupta : Director / Director (Finance), PFC
3. Shri P.K. Singh : Director / Director (Commercial), PFC
4. Shri R.S. Dhillon : Director / Director (Projects), PFC

MEETINGS OF BOARD OF DIRECTORS

Ten (10) Board meetings were held during the financial year 2018-19, as against the requirement of minimum four meetings in a year. The details of Board meetings are given below:

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	8th May, 2018	04	04
2	17th May, 2018	04	04
3	20th June, 2018	03	02
4	10th July, 2018	03	03
5	8th August,2018	03	03
6	17th September, 2018	04	04
7	6th December, 2018	04	04
8	24th December, 2018	04	04
9	30th January, 2019	04	04
10	27th March, 2019	04	04

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF BOARD OF DIRECTORS

Since the date of last Directors' Report, following changes were made in the constitution of the CSR Committee of Board of Directors of the Company:

- On superannuation from the services of PFC on 30th April, 2019, Shri Chinmoy Gangopadhyay ceased to be the member of the Committee w.e.f. 30th April, 2019.
- Shri P.K. Singh was appointed as Member of the Committee w.e.f. 17th June, 2019.

Consequent to the aforesaid changes, presently the CSR Committee of the Board of Directors of the Company comprises of the following:

1. Shri Rajeev Sharma : Chairman
2. Shri N.B. Gupta : Member
3. Shri P.K. Singh : Member

During the financial year 2018-19, two (02) meetings of CSR Committee were held. The details of Committee meetings are given below:

S. No	Date of Meeting	Committee Strength	No. of Members Present
1	8th August, 2018	03	03
3	27th March, 2019	03	03

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. Khanna & Annadhanam, Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2018-19 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

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 31st March, 2019.

Further, C&AG vide their letter dated 29th August, 2019 mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment or supplement to Statutory Auditor's Report. The comments of C&AG are presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, it is confirmed that:

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- Such accounting policies have been selected, applied consistently and judgments & estimates made 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 and of the profit and loss of the Company for that period;

- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The annual accounts are prepared on a going concern basis;
- The company has laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively; and
- The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year, Company has complied with the applicable provisions of the Secretarial Standards.

MEMORANDUM OF UNDERSTANDING (MoU)

In line with the Guidelines of Department of Public Enterprises (DPE) on Memorandum of Understanding (MoU) for FY 2018-19 , your Company has a parameter in the MoU for FY 2018-19 signed between PFC and MoP.

OFFICIAL LANGUAGE

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

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31st March, 2019 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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.

DISCLOSURE ON THE SEXUAL HARRASEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

In line with the provisions of Sexual Harrasement of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 "Internal Complaint Committee" has been constituted in the company for redressal of complaint(s) relating to sexual harassment of women employees. The committee is headed by a senior women official of PFC and includes a representative from All India Women's Education Fund Association as one of its member. PFCCL follows the anti-sexual harassement stance as outlined in the Conduct, Discipline and Appeal Rules of our parent Company i.e. PFC. During the financial year 2018-19, no complaint of sexual harassement was received by the company.

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 I** 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 – II** 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 III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also 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.

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. Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Power as per the requirements of DPE Corporate Governance Guidelines.

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 IV**.

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

(Rajeev Sharma)
Chairman
DIN: 00973413

Date: 12/09/2019
Place: New Delhi

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 2018-19.

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)	Ballabhgarh-GN Transmission Co. Ltd.	: Subsidiary Company
4)	Mohindergarh-Bhiwani Transmission Ltd.	: Subsidiary Company
5)	South-Central East Delhi Power Transmission Ltd.	: Subsidiary Company
6)	Shongtong Karcham-Wangtoo Transmission Ltd	: Subsidiary Company
7)	Bijawar-Vidarbha Transmission Ltd.	: Subsidiary Company
8)	Vapi II-Lakhimpur Transmission Ltd.	: Subsidiary Company
9)	Obra-C Badaun Transmission Ltd.	: Subsidiary Company
10)	Bikaner-Khetri Transmission Ltd.	: Subsidiary Company
11)	Bhuj-II Transmission Ltd.	: Subsidiary Company
12)	Fatehgarh-II Transco Ltd.	: Subsidiary Company
13)	Lakadia-Vadodara Transmission Project Ltd.	: Subsidiary Company
14)	Meerut-Simbhavali Transmission Limited	: Subsidiary Company
15)	Orissa Integrated Power Ltd.	: Subsidiary of the Holding Company
16)	Coastal Tamil Nadu Power Ltd.	: Subsidiary of the Holding Company
17)	Chhattisgarh Surguja Power Ltd.	: Subsidiary of the Holding Company
18)	Deoghar Mega Power Ltd.	: Subsidiary of the Holding Company
19)	Coastal Maharashtra Mega Power Ltd.	: Subsidiary of the Holding Company
20)	Cheyyur Infra Ltd.	: Subsidiary of the Holding Company
21)	Odisha Infrapower Ltd.	: Subsidiary of the Holding Company
22)	Tatiya Andhra Mega Power Ltd.	: Subsidiary of the Holding Company
23)	Sakhigopal Integrated Power Co. Ltd.	: Subsidiary of the Holding Company
24)	Ghogarpalli Inegrated Power Co. Ltd.	: Subsidiary of the Holding Company
25)	Coastal Karnataka Power Ltd.	: Subsidiary of the Holding Company
26)	Deoghar Infra Ltd.	: Subsidiary of the Holding Company
27)	Bihar Infrapower Ltd.	: Subsidiary of the Holding Company
28)	Bihar Mega Power Ltd.	: Subsidiary of the Holding Company
29)	Jharkhand Infrapower Ltd.	: Subsidiary of the Holding Company

(b) Nature of contracts/arrangements/transactions: Consultancy service & Fund arrangement

(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

(Rajeev Sharma)
Chairman
DIN: 00973413

Annexure-II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019

[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)	**Category of the Company** [Pl. tick]	1. Public Company √ 2. Private Company
	Sub Category of the Company [Please tick whichever are applicable]	1. Government Company √ 2. Small Company - 3. One Person Company - 4. Subsidiary of Foreign Company - 5. NBFC - 6. Guarantee Company - 7. Limited by shares √ 8. Unlimited Company - 9. Company having share capital √ 10. Company not having share capital - 11. Company Registered under Section 8
v)	Address of the Registered office and contract details	First Floor 'Urjanidhi' 1 Barakhamba Lane, Connaught Place New Delhi-110001,
vi)	Whether shares listed on recognized Stock Exchange(s)	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA) if any :- 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)

Sl.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]

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Power Finance Corporation Ltd. 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001.	L65910DL1986GOI024862	Holding Company	100	2(46)
2	Ballabhgarh-GN Transmission Company Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane,	U74999DL2013GOI257470	Subsidiary Company	100	2(87)

	Connaught Place, New Delhi-110001.				
3	Tanda Transmission Company Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U74999DL2013GOI257471	Subsidiary Company	100	2(87)
4	Mohindergarh-Bhiwani Transmission Ltd. First Floor, 'Urjanidhi',1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40106DL2014GOI274558	Subsidiary Company	100	2(87)
5	South-Cental East Delhi Power Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40109DL2015GOI276863	Subsidiary Company	100	2(87)
6	Bijawar-Vidarbha Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40300DL2017GOI310540	Subsidiary Company	100	2(87)
7	Shongtong Karcham-Wangtoo Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40300DL2017GOI310556	Subsidiary Company	100	2(87)
8	Bikaner-Khetri Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40108DL2019GOI346433	Subsidiary Company	100	2(87)
9	Bhuj-II Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40300DL2019GOI346552	Subsidiary Company	100	2(87)
10	Fatehgarh-II Transco Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40300DL2019GOI346583	Subsidiary Company	100	2(87)
11.	Lakadia-Vadodara Transmission Project Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40105DL2019GOI347349	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 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual*	0	700	700	1.4	0	700	700	1.34	0.06
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	49300	49300	98.60	0	51546	51546	98.66	0.06
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	**0**	**50000**	**50000**	**100**	**0**	**52246**	**52246**	**100.00**	**0.06**
(2) Foreign									
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
Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	**0**	**50000**	**50000**	**100**	**0**	**52246**	**52246**	**100.00**	**0.00**
B. Public Shareholding									
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) FIIs	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
Sub-total (B)(1):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2. Non-Institutions									
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**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**0**	**50000**	**50000**	**100.00**	**0**	**52246**	**52246**	**100.00**	**0.06**

*** Nominee of Power Finance Corporation Limited**

(ii) Shareholding of Promoter-

Sl. No.	**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	51546	98.66	0.00	0.00
2	Shri Chinmoy Gangopadhyay*	100	0.2%	0.00	100	0.19%	0.00	0.00
3	Shri Dhanabalan Ravi*	100	0.2%	0.00	NIL	NIL	NIL	0.19%
4	Shri Dinesh Vij*	100	0.2%	0.00	100	0.19%	0.00	0.00
5	Shri Gaurisankar Patra*	100	0.2%	0.00	100	0.19%	0.00	0.00
6	Smt Nalini Vanjani*	100	0.2%	0.00	NIL	NIL	NIL	0.19%
7	Shri P.K.Singh*	100	0.2%	0.00	100	0.19%	0.00	0.00
8.	Shri Subir Mulchandani*	100	0.2%	0.00	100	0.19%	0.00	0.00
9.	Shri R.S. Dhillon	NIL	NIL	NIL	100	0.19%	0.00	0.19%
10.	Shri Subir Saha	NIL	NIL	NIL	100	0.19%	0.00	0.19%

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

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

SI No.	Particulars	Date	Shareholding		Cumulative Share holding during during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company

1.	**Power Finance Corporation Ltd.**					
	At the beginning of the year	01.04.2019	49300	98.6	49300	98.60
	Increase during the year (Allotment pursuant to the amalgamation of PFC Capital Advisory Services Ltd. with the company	27.03.2019	2246	4.49	51546	98.66
	At the end of the year	31.03.2019			51546	98.66

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

Sl.No.	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 Shareholding 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:

Sl. No.	Name	Shareholding		As on Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning / end of the year	% of Total shares of Company				No. of Shares	% of Total shares of Company
1.	Shri D.Ravi, Director*	100	0.2	01.04.2018	100	Superannuation from the services of Power Finance Corporation Limited	NIL	NIL
		NIL	NIL	31.03.2019				
2	Shri C.Gangopadhyay Director*	100	0.2	01.04.2018	NIL	-	100	0.19
		100	0.2	31.03.2019				
3	Shri P.K. Singh	100	0.2	01.04.2018	NIL	-	100	0.19
		100	0.2	31.03.2019				

* **Nominee of Power Finance Corporation Limited**

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

	Secured Loans excluding deposits	Unsecured Loans (`)	Deposits	Total Indebtedness (`)
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				

iii) Interest accrued but not due	
Total (i+ii+iii)	
Change in Indebtedness during the financial year	
* Addition	
* Reduction	
Net Change	
Indebtedness at the end of the financial year	
i) Principal Amount	
ii) Interest due but not paid	
iii) Interest accrued but not due	
Total (i+ii+iii)	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(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	NIL	
	(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

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		-----	-----	-----	---					
1	Independent Directors	NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR								
	Fee for attending board committee meetings									
	Commission									
	Others, please specify									
	Total (1)									

2	Other Non-Executive Directors									
	Fee for attending board committee meetings	NIL								
	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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL			
	(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, 2019.

For and on behalf of the Board of Directors

(Rajeev Sharma)
Chairman
DIN: 00973413

Annexure-III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1. **A brief outline of 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 and Programs.**

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.

Web link:
http://www.pfcclindia.com/downloads/csr-policy.pdf

Projects & Programs:

a. Ensuring Environmental Sustainability using Renewable energy, energy efficient and environmental friendly technologies etc.
b. Sanitation & Provision of safe drinking water.
c. Promoting Education & employment enhancing vocational skills.
d. Activity related to supporting Differently abled persons.
e. Activities related to Health Sector
f. Other. contribution towards the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief, rehabilitation and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

2. **The Composition of the CSR Committee.**

Sl. No.	Name	Designation
1.	Shri Rajeev Sharma	Chairman
2.	Shri N.B. Gupta	Member
3.	Shri P.K. Singh	Member

3. **Average Net Profit of the company for last three Financial Years.**

S.No.	Financial Year	Consolidated Audited Profit Before Tax (PBT) (figures in ₹)
1	2015-16	57,09,86,241
2	2016-17	97,25,62,754
3	2017-18	45,20,24,197
Total		**199,55,73,192**
Average of above three FYs		**66,51,91,064**
2% of the average consolidated PBT		**1,33,03,821**
2% of the average consolidated PBT excluding dividend received from other companies		**1,33,03,821**

4. **Prescribed CSR Expenditure (Two per cent. of the amount as in Item 3 above)**

2% of the average consolidated PBT excluding dividend received from other companies is ₹1,33,03,821/- (Rupees One Crore Thirty Three Lakhs Three One Thousand Eight Hundred Twenty One only).

5. **Details of CSR Spent during the financial year.**

Total amount to be spent for the financial year 2018-19 - ₹ 1,33,03,821/- (Rupees One Crore Thirty Three Lakhs Three One Thousand Eight Hundred Twenty One only).

a) Amount unspent against identified projects , if any – NIL

b) Manner in which the amount spent during the financial year is detailed below:

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 project or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency (Give details of Implementing agency)
1	Contribution to 'Swachh Bharat Kosh' set up by the Central Government	Sanitation	All over India	₹133.03	1) ₹133.03 2) Nil	₹133.03	Govt. of India
Total (in ₹ Lakh)				₹133.03	1) ₹133.03 2) Nil	₹133.03	

6. **In case the company has failed to spend the 2% 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 objectives 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.

(Yogesh Juneja)
Chief Executive Officer

(Rajeev Sharma)
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

The Management of the Company (PFCCL) is pleased to present its Report on Industry scenario including Company's performance during the FY 2018-19.

Industry Structure and Developments

Over the Years, the Indian consulting industry has seen a substantial growth, not only in terms of size, but also in terms of the service offerings. In recent years, the demand of specialist consulting services is being immensely sought by customers in India, which has eventually opened the opportunity for a large number of consultants to help businesses with expert knowledge base and resources.

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:

Management Consulting				Engineering Consultancy
Strategy & Operations	**Financial Advisory**	**Human Resource**	**IT**	
• Corporate Strategy • Public Sector Policy • M&A • Organizational strategy • Functional strategy • Market entry • Sales & marketing • Supply chain • Finance • Process management • Procurement • Risk management	• Corporate finance • Transaction services • Restructuring • Forensic and litigations	• Change management • Talent management • HR function • Benefits and rewards • Learning & development	• IT Advisory • ERP implementation • Data analytics • Software management • System integration • Enterprise architecture	• Design and implementation engineering • EPC Consultancy • Project Management Support • Feasibility Studies and Preparation of Detailed Project Reports

The fast growth of consulting sector in India is largely attributable to improved investment activities because of low-cost structure, entry of many big players into the Indian market, relaxation of previous FDI restrictions, and strong capabilities in areas like IT, management, civil engineering, telecommunication, petrochemicals, power and metallurgy.

India is amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth & electricity consumption of about 1.3 billion people. The development of an efficient, coordinated, economical and robust electricity system is essential for smooth flow of electricity from generating station to load centres and for optimum utilization of resources in the country, in order to provide reliable, affordable, uninterruptible (24x7) and Quality Power for All.

India's power sector is undergoing a noteworthy change, and this has redefined the industry outlook. 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. PFCCL has experienced and professional regular executives and a panel of reputed experts in the areas of Coal, Forest, Environment, Railways and Finance 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 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.

OUTLOOK ON POWER SECTOR

India's power sector is undergoing a noteworthy change, and this has redefined the industry outlook. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as favorable government policy. The government has implemented various progressive measures to maximise power generation capacity and improve distribution.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US$ 6.23 billion) on an annual basis.

A. Generation:

As on March 31, 2019, India's total installed capacity was 3,56,100 MW. Thermal sources continued to have a dominant share at around 63% (2,26,279 MW), Hydro around 13% (45,399 MW), Renewable around 22% (77,642 MW) and Nuclear around 2% (6780 MW). The installed capacity stood at around 30% (1,05,076 MW) in state sector, around 46% (1,64,428 MW) in private sector and around 24% (86,596 MW) in central sector. The capacity addition target for the FY 2018-19 was set at 8106 MW. However, a capacity addition of 5921 MW has been achieved during the FY 2018-19.

B. Transmission:

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system, augmentation of the National Grid and enhancement of the transmission system network are required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

At the end of the fiscal 2019, our country had an extensive transmission network spanning 41,34,07 Ckms (at the 220 kV and above voltage levels). Further against a target of adding 22,647 Ckms of transmission lines for FY 2018-19, 22,437 Ckms have been achieved.

C. Distribution:

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. At the same time this is also true that Power distribution is the weakest link in the electricity supply chain. It assumes great significance as this segment has a direct impact on the sector's commercial viability, and ultimately on the consumers who pay for power services.

Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states. Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector. Several initiatives have been introduced to reduce aggregate technical and commercial (AT&C) losses along with a definitive regulatory framework. Electricity Act 2003, National Electricity Policy 2005 and National Tariff Policy 2006 are important regulations governing the sector today with an aim to bring competition in the sector and improve the services to the end consumers.

Further, Government of India launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) for development of rural and urban distribution sector. Also Government of India has launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme which aims to ensure electrification of households in the country. With Government of India's push for reforming distribution sector and that the substantial investments have been made, this has resulted in reduction in gap between ACS and ARR and reduction in AT&C losses.

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 ability to take risks is the hallmark of any good enterprise, but if those risks 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 ` 7,973.23 Lakh to `7,017.40 Lakh showing a decrease of 11.98%. However income from consultancy assignments other than from fee on transfer of ITPs increased from ` 1,699 Lakh to ` 2,771 Lakh.

During the year, the Company has earned other income of `1,260.12 Lakh as compared to Rs. 1928.04 lakh of previous year.

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 2018-19, 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 Profit Before Tax 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 2018-19, your Company has disbursed an amount of ` 1.33 Crore towards the 'Swacch Bharat Kosh' set up by the Central Government.

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.

For and on behalf of the Board of Directors

(Rajeev Sharma)
Chairman
DIN No. 00973413

REPORT ON CORPORATE GOVERNANCE

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

The Company firmly believes that good Corporate Governance generate value on a sustainable basis for the stakeholder. Concept of Corporate Governance ensures values, ethical business conduct, transparency, disclosures as per laws, rules and guidelines. PFCCL is committed to observe Corporate Governance practices at different levels to achieve its objectives. Through the Governance mechanism in the Company the Board along with its Committee undertakes its fiduciary responsibilities to its stakeholders by ensuring transparency, fairplay and independence in its decision making.

We believe that our Company shall go beyond adherence to regulatory framework. Our Corporate Structure, business, operations and disclosures practices have been strictly aligned to our Corporate Governance Philosophy.

The Compliances by the Company with DPE's Guidelines on Corporate Governance and the disclosure requirements under the Companies Act, 2013 are given below.

2. BOARD OF DIRECTORS

The Board is the core of corporate governance practice and oversees how the Management serves and protects the long-term interests of the stakeholder. We believe that an active and well-informed Board is necessary to ensure the highest standards of corporate governance.

a) COMPOSITION OF THE BOARD

As on March 31, 2019 the Company's Board comprised of Four (4) Directors. All the members of the Board are Non-Executive Directors. The composition of Board of Directors as on 31st March, 2019 was as follows:

SI. No.	Name	Category	Designation
(i)	Shri Rajeev Sharma	Non-Executive Director	Chairman
(ii)	Shri C. Gangopadhyay*	Non-Executive Director	Director
(iii)	Shri N.B. Gupta	Non-Executive Director	Director
(iv)	Shri P.K. Singh	Non-Executive Director	Director

* Ceased to be Director w.e.f. 30th April, 2019.

b) NUMBER OF BOARD MEETINGS

Ten (10) Board meetings were held during the financial year 2018-19. The details of Board meetings are given below:

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	8th May, 2018	04	04
2	17th May, 2018	04	04
3	20th June, 2018	03	02
4	10th July, 2018	03	03
5	8th August,2018	03	03
6	17th September, 2018	04	04
7	6th December, 2018	04	04
8	24th December, 2018	04	04
9	30th January, 2019	04	04
10	27th March, 2019	04	04

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 and designation of directors on the board, along with details of Directorships and Membership (including Chairmanship) of committees held by them in other companies and the attendance at the last Annual General Meeting held on 7th September, 2018 are as given below:-

Name & Designation	No. of other Directorships as on March 31, 2019#	Membership in the committees of other companies as on March 31, 2019##		Attendance at the last AGM held on 7th September, 2018
		Member	Chairman	
Shri Rajeev Sharma, Chairman	02	NIL	NIL	Present
Shri N.B. Gupta Director	05	1	-	Present
Shri C. Gangopadhyay* Director	07	01	-	Present
Shri D. Ravi**	N.A.	N.A.	N.A.	N.A.

Director				
Shri P. K. Singh*** Director	05	1	-	Present

*Ceased to be Director w.e.f. 30.04.2019

**Ceased to be Director w.e.f. 31.05.2018

***Appointed as Director w.e.f. 17.09.2018

#Does not include Directorships in Private Companies, Section 8 Companies under the Companies Act 2013 and Foreign Companies

##Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders/Investors Grievance Committee.

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.
- General notices/matters of interest of Directors.
- New projects and expansion plans
- 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 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. It is in alignment with Company's vision and values to achieve the mission & objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct has been placed on the Website of the Company i.e. **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 by Chairman 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, 2019 the Board had 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 31st March, 2019 the Committee comprised of the following members.

1. Shri Rajeev Sharma : Chairman
2. Shri C. Gangopadhyay* : Member
3. Shri N.B. Gupta : Member

***Ceased to be Member w.e.f. 30.04.2019**

The Committee met two (2) times during the FY 2018-19, on the following dates:

SI. No.	Date of Meeting	No. of Member present
1	8th August, 2018	03
2	27th March, 2019	03

Audit Committee of Directors

The provisions of Companies Act 2013 relating to constitution of Audit Committee are not applicable to the company.

4. GENERAL BODY MEETINGS

The details regarding Location, Day, Date & Time of the Annual General (AGM) held during the preceding three years are placed as under:-

No.	AGM	Day, Date & Time	Location	Special Resolutions Passed
2	8th	Tuesday, 16th August, 2016 & 12:30 p.m.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
3	9th	Monday, 18th September, 2017 & 11.30 A.M.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
	10th	Friday 7th September, 2018 & 04.30 P.M.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-

5. SUBSIDIARY COMPANIES

As on date, the Company has following Twelve (12) wholly owned subsidiaries:

- Tanda Transmission Company Limited (TTCL)
- Ballabhgarh-GN Transmission Company Limited (BGNTCL)
- Mohindergarh-Bhiwani Transmission Limited (MBTL)
- South-Central East Delhi Power Transmission Limited (SCEDPTL)
- Bijawar-Vidarbha Transmission Limited (BVTL)
- Shongtong Karcham-Wangtoo Transmission Limited (SKWTL)
- Vapi II-North LakhimpurTransmission Limited (VNLTL)
- Bikaner-Khetri Transmission Limited (BKTL)
- Bhuj-II Transmission Limited (BTL)
- Fatehgarh-II Transco Limited (FTL)
- Lakadia-Vadodara Transmission Project Limited (LVTPL)
- Meerut-Simbhavali Transmission Limited (MSTL)

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 2018-19.

7. MEANS OF COMMUNICATION

As the Company is not a Listed entity, the provisions of Quarterly results publication in newspaper or on any website is not applicable. Further the Annual Report of the Company and annual financial statements in respect of subsidiary Companies are posted on the website of the Company.

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 2018-19 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.

(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) The Company follows the whistle blower policy of its parent company i.e. Power Finance Corporation Limited

(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.

(Rajeev Sharma)
Chairman
DIN: 00973413

Place: New Delhi
Date: 12/09/2019

KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS
706, AKASH DEEP, 26-A, BARAKHAMBA ROAD
NEW DELHI - 110 001

Independent Auditor's Report
To The Members of PFC Consulting Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **PFC Consulting Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31st March 2019 and the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No.9 to the standalone financial statements. All trade receivables have been classified as current assets. Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon.

The Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

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Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the Company are given in the Annexure-A.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone 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) In terms of Notification No. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

   g) The Company is a Government Company, therefore, Section 197 of the Act related to the managerial remuneration is not applicable.

   h) 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.

For **Khanna & Annadhanam**
Chartered Accountants
(Firm Registration No. 001297N)

S. Srivastava

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

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Annexure-A to the Independent Auditor's Report
Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Sl. No.	Questionnaire	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the audit procedures carried out and as per the information and explanations given to us, the Company has not taken any debts/ loans from any lenders.
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, no funds were received/ receivable for specific schemes from Central/ State agencies during the year.

For **Khanna & Annadhanam**
Chartered Accountants
(Firm Registration No. 001297N)

S. Srivastava

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

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Annexure - B to the Independent Auditor's Report
Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) According to information and explanations given to us, the property, plant and equipment have been physically verified by the management on annual basis, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not own any immovable property.

(ii) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans advanced to subsidiary companies and investments made in the subsidiary and joint venture companies. The Company has not given any guarantee or provided any security to any party covered under Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, duty of customs, goods and service tax, cess and any other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues in respect of provident fund, employee's state insurance, income tax, duty of customs,

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goods and service tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order are not applicable.

For **Khanna & Annadhanam**
Chartered Accountants
(Firm Registration No. 001297N)

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

Annexure - C to the Independent Auditor's Report
Referred to in Paragraph 3(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PFC Consulting Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

TELE : 2331 5110, 23315119
E-Mail : audit1952@bol.net.in & audit@vsnl.com

Meaning of Internal Financial Controls Over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Khanna & Annadhanam**
Chartered Accountants
(Firm Registration No. 001297N)

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

TELE : 2331 5110, 23315119
E-Mail : audit1952@bol.net.in & audit@vsnl.com

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 2019.

The preparation of financial statements of PFC Consulting Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 17.06.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of PFC Consulting Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

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

Place: New Delhi
Date: 29/08/2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Standalone Balance Sheet as at 31 March 2019

(Rs. in lakh)

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(I)	**ASSETS**				
(1)	**Non-current assets**				
	(a) Property, plant and equipment	2	208.32	255.13	333.02
	(b) Other intangible assets	3	3.87	13.88	24.35
	(c) Financial assets				
	(i) Loans	4	164.99	152.01	181.24
	(ii) Other financial assets	5	423.61	9,836.79	14,847.78
	(d) Deferred tax assets (net)	6	446.27	506.34	355.99
	(e) Other non-current assets	7	121.73	74.66	50.33
	Total Non-current assets		**1,368.78**	**10,838.83**	**15,792.71**
(2)	**Current assets**				
	(a) Financial assets				
	(i) Investments	8	5.00	2.00	9.00
	(ii) Trade receivables	9	2,964.59	786.36	414.57
	(iii) Cash and cash equivalents	10	3,455.37	3,889.58	3,360.31
	(iv) Bank balances other than cash and cash equivalents	11	2,675.40	6,188.47	8,074.23
	(v) Loans	4	442.71	300.40	285.23
	(vi) Other financial assets	5	1,176.33	774.52	248.92
	(b) Income tax assets (net)	12	413.48	196.99	276.39
	(c) Other current assets	13	179.35	231.64	350.34
	Total Current assets		**11,312.22**	**12,369.96**	**13,018.98**
	Total Assets		**12,681.00**	**23,208.79**	**28,811.69**
(II)	**EQUITY AND LIABILITIES**				
(1)	**Equity**				
	(a) Equity share capital	14	5.22	5.22	5.22
	(b) Other equity	15	9,169.22	19,827.00	25,314.50
	Total Equity		**9,174.44**	**19,832.23**	**25,319.73**
(2)	**Liabilities**				
(A)	**Non-current liabilities**				
	(a) Other non-current liabilities	16	59.89	38.19	16.49
	Total Non-current liabilities		**59.89**	**38.19**	**16.49**
(B)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Trade payables	17			
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	0.21
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		762.13	355.87	299.89
	(ii) Other financial liabilities	18	2,036.22	1,767.96	2,846.81
	(b) Other current liabilities	19	390.23	679.08	144.98
	(c) Provisions	20	258.09	535.47	183.58
	Total current liabilities		**3,446.67**	**3,338.37**	**3,475.47**
	Total Equity and Liabilities		**12,681.00**	**23,208.79**	**28,811.69**

See accompanying notes from s.no. 1 to 42 to the Standalone financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 00973413)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17.06.2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2019

(Rs. in lakh)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
	Income			
I.	Revenue from operations	21	5,757.28	6,045.19
II.	Other income	22	1,260.12	1,928.04
III.	**Total Income (I+II)**		**7,017.40**	**7,973.23**
IV.	**Expenses**			
	Consultancy services expense	23	1,033.06	657.33
	Employee benefits expense	24	1,193.97	1,347.90
	Depreciation and amortisation expense	25	106.14	134.20
	Other expenses	26	1,519.01	1,517.88
	Total expenses (IV)		**3,852.18**	**3,657.31**
V.	**Profit before tax (III-IV)**		**3,165.21**	**4,315.92**
VI.	**Tax expense:**	29		
	Current tax		974.48	1,763.23
	Income tax adjustment for earlier years		(68.85)	14.66
	Deferred tax		60.08	(150.36)
	Total tax expense (VI)		**965.71**	**1,627.53**
VII.	**Profit for the year (V-VI)**		**2,199.51**	**2,688.39**
VIII.	**Other comprehensive income**		-	-
IX.	**Total comprehensive income for the year (VII+VIII)**		**2,199.51**	**2,688.39**
	Earnings per equity share (in Rs.) : (face value Rs. 10/- each)	27		
	Basic		4,209.91	5,145.64
	Diluted		4,209.91	5,145.64

See accompanying notes from s.no. 1 to 42 to the Standalone financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

Rajeev Sharma
Chairman
(DIN 009734

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17.06.2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Standalone Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital

(Rs. in lakh)

Particulars	Amount
Balance as at 1 April 2017	5.00
Effect of Business Combination with PFC Capital Advisory Services Limited*	0.22
Balance as at 1 April 2017 after merger	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2018	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2019	5.22

* During the financial year 2018-19, pursuant to merger of PFC Capital Advisory Limited (PFCCAS) with the company, 2246 shares (Rs. 10 each fully paid up) were issued to the shareholder of PFCCAS. The opening Balance Sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 have been restated duly considering the impact of amalgamation. (Refer note : 30)

B. Other Equity

(Rs. in lakh)

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained earnings	
Balance as at 1 April 2017	9.78	25,304.73	25,314.50
Total Comprehensive Income for the year	-	2,688.39	2,688.39
Payment of final dividend for 2016-17	-	(1,793.00)	(1,793.00)
Tax on final dividend for 2016-17	-	(365.01)	(365.01)
Payment of interim dividend for 2017-18	-	(5,000.00)	(5,000.00)
Tax on interim dividend for 2017-18	-	(1,017.88)	(1,017.88)
Balance as at 31 March 2018	9.78	19,817.23	19,827.00
Total Comprehensive Income for the year	-	2,199.51	2,199.51
Payment of final dividend for 2017-18 *	-	(665.00)	(665.00)
Tax on final dividend for 2017-18 *	-	(136.69)	(136.69)
Payment of interim dividend for 2018-19	-	(10,000.00)	(10,000.00)
Tax on interim dividend for 2018-19	-	(2,055.60)	(2,055.60)
Balance as at 31 March 2019	9.78	9,159.44	9,169.22

* Represents dividend and dividend tax paid by PFCCAS before merger of PFCCAS with the Company.

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 00973413)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17.06.2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Standalone Cash Flow Statement for the year ended 31 March 2019

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities:		
Profit before tax	3,165.21	4,315.92
Adjustments for:		
Depreciation and amortisation	106.14	134.20
Interest income	(1,110.97)	(1,687.92)
Provision for doubtful debts	287.02	555.38
Provision for diminution in value of investment	1.00	5.00
Provision for loss of asset pending investigation	-	1.00
Unwinding of discount on employees loans	(20.39)	(19.00)
Unwinding of discount on security deposit	(6.80)	(6.24)
Gain on sale/transfer/buyback of assets	(0.10)	-
Assets written off	4.52	0.27
Provision written back- for expenses	(9.10)	(8.92)
Provision written back- for doubtful debts and advances	(112.63)	(205.62)
Operating Profit before Working Capital changes	**2,303.91**	**3,084.07**
Adjustments for changes in Working Capital :		
- Increase/(decrease) in trade payables	415.36	64.69
- Increase/(decrease) other non- current financial liabilites	268.26	(1,078.85)
- Increase/(decrease) in current provisions	(277.37)	351.89
- Increase/(decrease) in other current liabilities	(288.85)	534.09
- Increase/(decrease) in other non current liabilities	21.70	21.70
- (Increase)/ decrease in trade receivables	(2,065.60)	(166.18)
- (Increase)/decrease in non current loans	(12.98)	29.23
- (Increase)/decrease in current loans	(429.33)	(370.55)
- (Increase)/ decrease in other current financial Assets	(401.81)	(525.60)
- (Increase)/decrease in other current assets	52.30	118.70
- (Increase)/decrease in other non current assets	(19.88)	0.91
Cash generated from operating activities	**(434.29)**	**1,864.10**
Income taxes paid (net)	(1,122.13)	(1,698.48)
Net cash generated from / (used in) operating activities	**(1,556.42)**	**165.61**
B. Cash flow from Investing activities:		
Payment for purchase of property, plant and equipment	(60.51)	(54.29)
Payment for purchase of intangible assets	(0.47)	-
Increase/(decrease) other non current financial Assets	9,413.18	5,010.99
Increase/(decrease) other Bank Balances	3,513.08	1,885.75
Proceeds from sale of property plant and equipment	7.25	7.17
Sale/(Purchase) of financial assets	(4.00)	2.00
Interest received	1,110.97	1,687.92
Net cash generated from/ (used in) Investing activities	**13,979.50**	**8,539.55**
C. Cash flow from Financing Activities:		
Dividend paid	(10,665.00)	(6,793.00)
Corporate dividend tax paid	(2,192.29)	(1,382.90)
Net cash generated from/ (used in) financing activities	**(12,857.29)**	**(8,175.90)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(434.21)**	**529.27**
Cash and cash equivalents at the beginning of the year	**3,889.58**	**3,360.31**
Cash and cash equivalents at the end of the year (refer note 10)	**3,455.37**	**3,889.58**
Cash and cash equivalents comprises :		
Balance with banks		
- in current accounts	1,732.80	1,962.58
- in deposit accounts with original maturity upto 3 months	1,722.57	1,927.00
	3,455.37	**3,889.58**

See accompanying notes from s.no. 1 to 42 to the Standalone financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)	**(Yogesh Juneja)**	**(N.B.Gupta)**	**(Rajeev Sharma)**
Company Secretary	Chief Executive Officer	Director	Chairman
M. No. F5048		(DIN 00530741)	(DIN 00973413)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place. - New Delhi
Date: - 17.06.2019

1 Corporate Information and Significant Accounting Policies

1.1 Corporate Information

PFC Consulting Limited ("the Company" or "PFCCL") is a public company incorporated under the Companies Act 1956 on 25th March 2008, domiciled in India and limited by shares (CIN: U74140DL2008GOI175858). The registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001

The Company is a wholly owned subsidiary of Power Finance Corporation Limited (PFC) (a listed company with majority shareholding held by the Government of India (GoI). The Company provides consultancy services to power sector including being the nodal agency for implementing GoI schemes relating to Independent Transmission Projects (ITPs) and PFC being the Nodal agency for development of Ultra Mega Power Projects (UMPPs) has entrusted all the work related to UMPPs to PFCCL.

1.2 Statement of Compliance and basis of preparation and presentation

i) The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, applicable provisions of the Companies Act, 2013 and other applicable regulatory requirements. These are the Company's first Ind AS Standalone Financial Statements with the date of transition as on 01 April 2017.

The Company prepared its standalone financial statements up to the year ended 31.03.2018, in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder. However, from financial year 2018-19 the company has prepared the Standalone financial statements as required under Ind AS.

The Company has followed the provisions of Ind AS 101-'First Time adoption of Indian Accounting Standards' in preparing its opening Ind AS Standalone Balance Sheet as of the date of transition and adjustments have been made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01 April 2017.

The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 1.4. Further, in accordance with Ind AS 101, the Company has presented a reconciliation of total equity under previous GAAP and under Ind AS as at 31.03.2018 and 01.04.2017 and of the Profit after tax as per previous GAAP and total comprehensive income under Ind AS for the year ended 31.03.2018 as detailed in Note 1.4.

An entity's estimate in accordance with Ind AS are consistent with estimates made in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies) at the date of transition to Ind AS , unless there is objective evidence that those estimates were in error.

ii) These Standalone financial statements were approved by Board of Directors (BoD) on 17 June 2019.

iii) These financial statements are standalone financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2019 in accordance with Ind AS 110 and Ind AS 28 and the same were also approved for issue by the Board of Directors on 17 June 2019.

iv) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019.

a) Ind AS 116 - Leases:

Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognized assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The Company is evaluating the effect of the above in the financial statements.

b) Amendment to Ind AS 12 – Income taxes:

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is evaluating the effect of the above in the financial statements

c) Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is evaluating the effect of the above in the financial statements.

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

1.3 Significant Accounting Policies

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

i) Basis of Preparation and Measurement

These Standalone financial statements of the group have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

Amount in the financial statements are presented in Rs. Lakhs (upto two decimals) except for per share data and as other-wise stated.

ii) Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next year, is in respect of valuation of trade receivables and provisions for taxation.

iii) Revenue recognition

(i) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the company's management.

(ii) Income from other consulting services rendered is recognised based on the terms of agreements/ arrangements with reference to the stage of completion of contract at the reporting date

(iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Interest income, on the financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Interest income, on the financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

(v) The income from sale of Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.

(vi) Income from short /Medium term bidding of power, Pilot scheme and Coal flexibility scheme is recognised when letter of award (LOA) is issued to the successful bidder.

(vii) Other income and expenses are accounted on accrual basis, in accordance with the terms of the respective contract

(viii) Prepaid expenses are not recognized if prepaid amount is less than Rs. one lac.

iv) Property, Plant and Equipment (PPE) and Depreciation

i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.

ii. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years instead of 5 years as per Schedule II to the Companies Act, 2013. Residual value is estimated as 5% of the original cost of PPE. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.

iii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

iv. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

v. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under property, plant and equipment. These Leasehold Improvements are amortised on straight-line method basis over the period of lease or their useful lives whichever is lower.

v) Intangible Assets

i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over useful life of the assets

ii. Estimated useful life of the intangible assets with finite useful lives has been estimated by the Company as 36 months.

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

vi) Investment in group companies

Investment in equity shares of associates are accounted at cost less impairment, if any, in accordance with Ind AS 27.

vii) Cash and cash equivalents

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

viii) Income Taxes

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

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.
Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

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

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

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

ix) Employee Benefits

(i) <u>Leave Encashment, Provident Fund, Pension benefits, Gratuity and other post retirement benefits</u>

The employees of the Company are on deputation from the Holding Company (Power Finance Corporation Limited) and NTPC Limited. 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 and NTPC Limited, the Company is required 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.

(ii) <u>Short Term Employee Benefits</u>

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

(iii) <u>Loan to employees at concessional rates</u>

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

x) Material Prior Period Expenses

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

xi) Provisions and contingent liabilities

(i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

xii) Leases

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases

Lease rentals are charged to the Statement of Profit and Loss on Straight line basis over the lease term.

xiii) Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

• The assets and liabilities of the combining entities are reflected at their carrying amounts.

• No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.

• The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

xiv) Financial instruments

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

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

I Financial assets

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

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

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

a) Financial assets at Amortised Cost:

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

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

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

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

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

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and

• the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

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

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

ii) Impairment of financial assets

Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties.

ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

iii) De-recognition of financial assets

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

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

2 Financial liabilities

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

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

ii) De-recognition of financial liabilities

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

xv) Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

xvi) Dividends

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

xvii) Foreign Currency Transactions and Translations

The reporting and functional currency of the Company is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

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1.4 **First-time adoption – mandatory exceptions and optional exemptions**

The Standalone Financial Statements have been prepared in accordance the Ind AS applicable as at 31 March 2019. These accounting and measurement principles have been applied retrospectively to the date of transition to Ind AS and for all periods presented.

However, for certain cases Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS opening Standalone Balance Sheet:

(i) **Classification of Financial assets**
The Company has determined the classification of financial assets in terms of whether they meet the amortized cost criteria or fair value criteria based on the facts and circumstances that existed as on the transition date.

(ii) **Impairment of financial assets**
The Company has applied the impairment requirements of Ind AS 109. As permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort, in order to determine the impairment loss allowance as at transition date.

(iii) **Past business combination**
The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively on past business combinations that occurred before the transition date.

(iv) **Investments in subsidiaries, joint ventures and associates**
The Company has availed the exemption to continue with the carrying value of all its investments in subsidiaries, joint ventures and associates as per previous GAAP as their deemed cost as at the transition date.

(v) **De-recognition of financial assets and liabilities**
The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

(vi) **Estimates**
Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with Previous GAAP (after adjustments to reflect any difference in accounting policies). The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

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2. Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Leasehold Improvements	Total
Gross Block					
Balance as at 1 April 2017	**147.84**	**93.71**	**79.66**	**160.05**	**481.27**
Additions	15.93	17.15	15.61	5.60	54.29
Deductions/Adjustment	12.69	3.31	10.88	-	26.88
As at 31 March 2018	**151.09**	**107.55**	**84.39**	**165.65**	**508.68**
Additions	17.85	13.01	29.65	-	60.51
Deductions/Adjustment	30.26	4.98	37.91	-	73.16
As at 31 March 2019	138.67	**115.57**	**76.13**	**165.65**	**496.03**
Accumulated Depreciation					
As at 1 April 2017	**84.81**	**16.28**	**37.85**	**9.32**	**148.25**
Charge for the year	40.73	22.37	24.51	**44.20**	131.81
Deductions/Adjustment	10.54	0.71	6.55	8.71	26.52
As at 31 March 2018	**114.99**	**37.94**	**55.80**	**44.80**	**253.54**
Charge for the year	21.05	18.87	19.59	36.14	95.66
Deductions/Adjustment	27.52	2.13	31.84	-	61.49
As at 31 March 2019	**108.53**	**54.69**	**43.55**	**80.94**	**287.71**
Net Block					
As at 1 April 2017	**63.03**	**77.43**	**41.82**	**150.74**	**333.02**
As at 31 March 2018	**36.09**	**69.60**	**28.59**	**120.85**	**255.13**
As at 31 March 2019	**30.14**	**60.89**	**32.58**	**84.71**	**208.32**

Notes:

i) In view of the nature of assets held by the company and the rate of depreciation charged thereon, no provision for impairment of Property, Plant and Equipment is required.

ii) The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

(Rs. in lakh)

Particulars	As at 1 April 2017		
	Computer Equipments	**Accumulated Depriciation**	**Net Block**
EDP Equipments	147.84	84.81	63.03
Furniture and Fixtures	93.71	16.28	77.43
Office Equipments	79.66	37.85	41.82
Leasehold Improvements	160.05	9.32	150.74
	481.27	**148.25**	**333.02**

(Rs. in lakh)

Particulars	As at 31 March 2018		
	Computer Equipments	**Accumulated Depriciation**	**Net Block**
EDP Equipments	151.09	114.99	36.09
Furniture and Fixtures	107.55	37.94	69.60
Office Equipments	84.39	55.80	28.59
Leasehold Improvements	165.65	44.80	120.85
	508.68	**253.54**	**255.13**

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3. Other Intangible assets

(Rs. in lakh)

Particulars	Computer software	Total
Gross Block		
Balance as at 1 April 2017	31.85	31.85
Additions	-	-
Deductions/Adjustment	-	-
As at 31 March 2018	31.85	31.85
Additions	0.47	0.47
Deductions/Adjustment	-	-
As at 31 March 2019	32.32	32.32
Amortisation		
As at 1 April 2017	7.50	7.50
Charge for the year	10.47	10.47
Deductions/Adjustment	-	-
As at 31 March 2018	17.97	17.97
Charge for the year	10.49	10.49
Deductions/Adjustment	-	-
As at 31 March 2019	28.45	28.45
Net Block		
As at 1 April 2017	24.35	24.35
As at 31 March 2018	13.88	13.88
As at 31 March 2019	3.87	3.87

Notes.

i) In view of the nature of assets held by the company and the amortisation thereon, no provision for impairment of Intangible assets is required.

ii) The information regarding gross block of assets and accumulated amortisation under previous GAAP is as follows:

(Rs. in lakh)

Particulars	As at 1 April 2017		
	Gross Block	Accumulated amortisation	Net Block
Computer software	31.85	7.50	24.35
	31.85	**7.50**	**24.35**

(Rs. in lakh)

Particulars	As at 31 March 2018		
	Gross Block	Accumulated amortisation	Net Block
Computer software	31.85	17.97	13.88
	31.85	**17.97**	**13.88**

4. Loans

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non current			
a) Other Loans (Unsecured, considered good)			
(i) Security deposit (Rent)	83.79	76.99	70.75
(ii) Loans to employees	81.21	75.02	110.50
Total	**164.99**	**152.01**	**181.24**
Current			
a) Loans to related parties (Unsecured, considered good)			
Loans to associates (ITPs) including accrued interest	376.36	235.02	240.65
Total (a)	**376.36**	**235.02**	**240.65**
b) Loans to related parties (Unsecured, credit impaired)			
Loans to associates (ITPs) including accrued interest	338.07	270.42	111.91
Less : Allowances for bad and doubtful loans	(336.06)	(265.21)	(110.20)
Total (b)	**2.00**	**5.21**	**1.71**

An amount of Rs. 154.28 lakh recoverable from the associate "Tanda Transmission Company Limited" has been written off in the current year from the books with due approval from the board.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
c) Other Loans (Unsecured, considered good)			
(i) Security deposit (Rent)	36.65	33.78	5.62
(ii) Loans to employees	27.69	26.39	37.24
Total (c)	**64.34**	**60.17**	**42.87**
Total (a+b+c)	**442.71**	**300.40**	**285.23**

Notes-

i) For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 36 - "Financial instruments".

ii) The Company has categorised all loans at amortised cost only in accordance with the requirements of Ind AS 109.

iii) Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.

iv) **Loans in the case of ITP's:**

The following amounts are due from ITP's which are associates of the company.

(Rs. in lakh)

Particulars	Amount
Loans - Considered Good	378.36
Loans - Considered doubtful	336.06
Total	714.42

The ITP's are generally sold to bidders between a period of 12 to 18 months. However, sometimes the ITP's are also denotified by the Ministry of Power and the loss is absorbed by the Company. During the last five years, 5 ITP's have been denotified resulting in a loss of Rs. 499.12 lakhs. The loss is accounted for in the year in which ITP is denotified and hence no provision for expected credit loss is considered necessary.

5. Other financial assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non current			
(a) Other bank balances			
Deposits with maturity of more than 12 months including accrued interest *	423.61	9,836.79	14,847.78
Total	**423.61**	**9,836.79**	**14,847.78**

* includes Rs. 413.62 lakh (31 March 2018 Rs. Nil, 1 April 2017 Rs. 27 lakh) held as margin money against the bank guarantee issued to

- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 36 - "Financial instruments".

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Advances (Unsecured, considered good)			
Advances to supplier/contractors	128.12	124.34	142.24
Total (a)	**128.12**	**124.34**	**142.24**
(b) Advances (Unsecured, credit impaired)			
Advances to supplier/contractors	9.15	8.90	0.79
Impairment allowance for doubtful advances	(9.15)	(8.90)	(0.79)
Total (b)	-	-	-
(c) Others (Unsecured, considered good)			
Amount receivable from Power Finance Corporation Limited	99.88	650.18	106.68
Amount receivable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest**	948.33	-	-
Total (c)	**1,048.21**	**650.18**	**106.68**
Total (a+b+c)	**1,176.33**	**774.52**	**248.92**

** Amount receivable of Rs 948.33 lakh is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. In the earlier years, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 it has been decided that this amount will be paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has been exhausted in some UMPPs. During the year interest amounting to Rs.26.98 lakh has been charged on these receivables. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the receivables from UMPPs and the provision for expected credit loss is not required.

6. Deferred Tax Assets (net)

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax assets in relation to:			
Property, plant and equipment and other intangible assets	38.86	24.01	8.14
Provisions for bad and doubtful trade receivables	362.44	359.28	306.66
Provision for impairment in the value of investments	4.66	4.37	3.46
Provision for rent equalisation	17.44	11.12	5.71
Provision for employee benefits	22.88	107.57	32.03
Deferred tax assets (net)	446.27	506.34	355.99

The following is the analysis of deferred tax assets presented in the balance sheet:

(Rs. in lakh)

Particulars	As at 1 April 2018	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2019
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2018-19				
Property, plant and equipment and other intangible assets	24.01	14.84	-	38.86
Provisions for bad and doubtful trade receivables	359.28	3.16	-	362.44
Provision for impairment in the value of investments	4.37	0.29	-	4.66
Provision for rent equalisation	11.12	6.32	-	17.44
Provision for employee benefits	107.57	(84.69)	-	22.88
Total	506.34	(60.08)	-	446.27

(Rs. in lakh)

Particulars	As at 1 April 2017	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2018
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2017-18				
Property, plant and equipment and other intangible assets	8.14	15.88	-	24.01
Provisions for bad and doubtful trade receivables	306.66	52.61	-	359.28
Provision for impairment in the value of investments	3.46	0.91	-	4.37
Provision for rent equalisation	5.71	5.41	-	11.12
Provision for employee benefits	32.03	75.54	-	107.57
Total	355.99	150.36	-	506.34

7. Other non- current assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unamortised employee cost	114.17	60.21	28.97
Unamortised security deposit (Rent)	7.56	14.46	21.36
Shortage in fixed assets pending investigation	1.00	-	-
Less : Provision for loss of shortage in fixed assets	(1.00)	-	-
Total	121.73	74.66	50.33

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8. Investments

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unquoted Equity Instruments - Current (fully paid up-unless otherwise stated, at cost)					
Associate Companies					
Goa- Tanmar Transmission Limited	10000 shares of Rs. 10 each	100%	-	-	1.00
Fatehgarh-Bhadla Transmission Limited	10000 shares of Rs. 10 each	100%	-	-	1.00
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs 10 each	100%	1.00	1.00	1.00
Vapi II-North Lakhimpur Transmission Limited	10000 shares of Rs. 10 each	100%	1.00	-	-
Bhuj-II Transmission Limited	10000 shares of Rs. 10 each	100%	1.00	-	-
Fatehgarh-II Transco Limited	10000 shares of Rs. 10 each	100%	1.00	-	-
Bikaner Khetri Transmission Limited	10000 shares of Rs. 10 each	100%	1.00	-	-
Total			5.00	1.00	3.00
Associates under striking off					
Ballabhgarh-GN Transmission Company Limited	50000 shares of Rs. 10 each	100%	5.00	5.00	5.00
Less : Impairment Allowance			(5.00)	(5.00)	(5.00)
Mohindergarh-Bhiwani Transmission Limited	50000 shares of Rs. 10 each	100%	5.00	5.00	5.00
Less : Impairment Allowance			(5.00)	(5.00)	(5.00)
South Central East Delhi Power Transmission Limited	50000 shares of Rs. 10 each	100%	5.00	5.00	5.00
Less : Recoverable from Delhi Government			(5.00)	(5.00)	(5.00)
Tanda Transmission Company Limited	50000 shares of Rs. 10 each	100%	5.00	5.00	5.00
Less : Impairment Allowance			(5.00)	(5.00)	-
Shongtong Karcham-Wangtoo Transmission Limited	10000 shares of Rs. 10 each	100%	1.00	1.00	1.00
Less : Impairment Allowance			(1.00)	-	-
Sub total (a)			-	1.00	6.00
Total investment carrying value			5.00	2.00	9.00
Aggregate amount of unquoted investments			26.00	22.00	24.00
Aggregate amount of impairment in the value of unquoted investments			(21.00)	(20.00)	(15.00)

Notes:

i) Four associates namely Ballabhgarh-GN Transmission Company Limited, Mohindergarh-Bhiwani Transmission Limited, Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been de-notified by Ministry of Power (MoP) and in respect of one associate namely South Central East Delhi Power Transmission Limited, the Government of Delhi has advised the company not to proceed further in the concerned project. These companies are required to be wound up. Therefore, the Company has created provision for the expenditure incurred on these companies to the extent not considered recoverable and realisable value of investment in equity shares were considered as Rs. Nil.

ii) The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company has incorporated wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).

iii) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

iv) The ITP - Lakadia-Vadodara Transmission Project Limited was incorporated on 15 March 2019 and PFCCL has subscribed for 100% equity in the said company. However, the shares were allotted to PFCCL in April 2019, hence the same is not presented in the investment schedule.

9. Trade Receivables

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
Trade Receivables considered good - Unsecured	2,964.59	786.36	414.57
Trade Receivables - credit impaired	908.57	959.44	773.35
Less: Allowance for bad and doubtful trade receivables	(908.57)	(959.44)	(773.35)
Total	2,964.59	786.36	414.57

Notes:

i) Expected Credit loss is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years. Refer note 36 - Financial Instruments

ii) Trade receivables include Rs. 1520.22 lakh (Rs. Nil as at 31 March 2018 and 1 April 2017) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC. In the earlier years, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 it has been decided that this amount will be paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has exhausted in some UMPPs. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the amount receivable from UMPPs and the provision for expected credit loss is not required

10. **Cash and cash equivalents**

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Balances with banks			
- Current accounts (including accrued interest of autosweep deposits)	1,732.80	1,962.58	2,459.63
(b) Deposits with banks with maturity upto 3 months (including accrued interest)	1,722.57	1,927.00	900.68
Total	3,455.37	3,889.58	3,360.31

11. **Bank balances other than cash and cash equivalents**

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest)	2,675.40	6,188.47	8,074.23
Total	2,675.40	6,188.47	8,074.23

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12. Income tax assets (Net)

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance income tax / tax deducted at source (TDS)	1,387.94	1,960.21	3,735.35
Less Provision for Income Tax	(974.45)	(1,763.23)	(3,458.96)
Total	413.48	196.99	276.39

13. Other current assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured, considered good			
(a) Cenvat credit receivable	-	5.42	92.17
(b) Prepaid expenses	-	1.77	8.78
(c) Advance to contractors/ suppliers	143.30	201.79	234.93
(d) Unamortised employee cost	29.15	15.76	7.56
(e) Unamortised Security Deposit (Rent)	6.90	6.90	6.90
Total	179.35	231.64	350.34

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14. Equity share capital

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Authorised share capital:			
11,00,000 (31 March 2018: 11,00,000 1 April 2017: 11,00,000) equity shares of Rs.10 each	110.00	110.00	110.00
Issued, subscribed and fully paid up shares :			
52,246 (31 March 2018: 52,246 1 April 2017: 50,000) equity shares of Rs.10 each	5.22	5.22	5.00
Effect of Business Combination with PFC Capital Advisory Services Limited	-	-	0.22
Total	**5.22**	**5.22**	**5.22**

a) The Company has only one class of equity shares having a par value Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

b) Reconciliation of the shares outstanding at the beginning and at the end of the financial year:

(Rs. in lakh)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Opening balance	52,246	5.22	52,246	5.22
Issued during the year	-	-	-	-
Closing balance	**52,246**	**5.22**	**52,246**	**5.22**

c) Shares held by holding company

(Rs. in lakh)

Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	Amount	No. of shares held	Amount	No. of shares held	Amount
Power Finance Corporation Limited, the Holding Company *	52,246	5.22	52,246	5.22	52,246	5.22

d) Details of shareholders holding more than 5% of the aggregate shares in the Company

(Rs. in lakh)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Power Finance Corporation Limited, the Holding Company *	52,246	100%	52,246	100%	52,246	100%

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

e) Aggregate number and class of shares allotted as fully paid up without payment being received in cash.
During the financial year 2018-19, pursuant to amalgamation of PFC Capital Advisory Limited (PFCCAS) with the Company, 2246 shares were issued to the shareholder of PFCCAS. (refer note: 30)

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15. Other equity (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital Reserve (Note i)	9.78	9.78	9.78
Retained earnings (Note ii and 15.1)	9,159.44	19,817.23	25,304.73
Total	**9,169.22**	**19,827.00**	**25,314.50**

Notes:

i) Capital reserve: During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

ii) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

15.1 Retained Earnings (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	19,817.23	25,304.73
Profit for the year	2,199.51	2,688.39
Payment of final dividends	(665.00)	(1,793.00)
Tax on final dividends	(136.69)	(365.01)
Payment of interim dividends	(10,000.00)	(5,000.00)
Tax on interim dividends	(2,055.60)	(1,017.88)
Balance at the end of the year	**9,159.44**	**19,817.23**

16. Other non-current liabilities (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Rent equalisation	59.89	38.19	16.49
Total	**59.89**	**38.19**	**16.49**

17. Trade payables (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total outstanding dues of micro enterprises and small enterprises; and	-	-	0.21
Total outstanding dues of creditors other than micro enterprises and small enterprises.	762.13	355.87	308.14
Total	762.13	355.87	308.35

The Company pays its vendors immediately when the invoice is accounted and no interest during the year has been paid or is payable. (refer note no. 35 for disclosure made under terms of the Micro, Small and Medium Enterprises Development Act, 2006).
The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. Other financial liabilities (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Security deposit	6.35	8.16	35.85
(b) Payable to successful developer (ITPs)	11.88	38.23	90.64
(c) Amount received for short term bidding of power (e-DEEI	2,007.46	1,669.88	2,549.59
(d) Other payables	10.53	51.70	170.73
Total	2,036.22	1,767.96	2,846.81

* The company has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines, every bidder is required to deposit with the Company the requisite fees of Rs. 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful Bidder(s) will have to pay the fees to the Company for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

19. Other current liabilities (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Statutory dues payable	336.23	619.08	90.98
(b) Advance from clients	54.00	60.00	54.00
Total	390.23	679.08	144.98

20. Provisions (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Provision for employee bonus	252.68	337.25	94.74
(b) Provision for employee pay revision	5.41	198.22	88.84
Total	258.09	535.47	183.58

21. Revenue from operations

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of services:		
Consultancy	5,653.49	6,031.13
Other operating revenue:		
-Sale of Request for Qualification (RFQ)	58.00	3.00
-Processing fee	5.79	11.06
-Tender fee	40.00	-
Total	**5,757.28**	**6,045.19**

22. Other Income

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from financial assets at amortised cost		
-On bank deposits	1,070.80	1,656.62
-On loan to associate companies	13.19	31.30
-On recievables from associate companies of holding company	26.98	-
Unwinding of discount on employees loans	20.39	19.00
Unwinding of discount on security deposit	6.80	6.24
Gain on sale/transfer of assets	0.10	-
Miscellaneous Income	0.14	0.34
Other non-operating income:		
Provisions written back		
- for expenses	9.10	8.92
- for doubtful debts and advances*	112.63	205.62
Total	**1,260.12**	**1,928.04**

* includes amount due from Bihar State Electricity Board of Rs. 103.93 lakh and Ideal Energy Projects Limited of Rs. 8.70 lakh provided as doubtful debts in the earlier years realised during the year or subsequently.

23. Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sub consultancy charges	1,014.03	656.81
Advertisement expenses	15.02	0.52
Others	4.02	-
Total	**1,033.06**	**657.33**

24. Employee benefits expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	955.35	1,078.55
Contribution to provident and other funds	137.24	201.41
Staff welfare expenses	69.17	55.24
Deferred employee benefits written off	32.21	12.70
Total	**1,193.97**	**1,347.90**

Notes:

a) Employees of the Company are on secondment from PFCL and NTPC. Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with these companies. As per the agreement, amount equivalent to a fixed percentage of Basic Pay and 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.

b) The Employee benefits include Rs 111.09 lakh (previous year Rs. 85.88 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits.

25. Depreciation and amortisation expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
On property, plant and equipment - Note 2	95.66	123.73
On Intangible assets - Note 3	10.49	10.47
Total	**106.14**	**134.20**

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26. Other expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Payments to auditor:				
As Auditor		3.75		3.75
Tax audit fee		0.81		0.81
GST Audit fee*		1.62		-
Advertisement expenses		33.75		3.62
Assets written off		4.52		0.27
Corporate Social Responsibility Expenses		133.04		123.54
Electricity and water charges		18.18		17.90
Entertainment expenses		13.51		5.21
Insurance		0.09		0.73
Interest paid on TDS and Income tax		-		14.48
Legal and professional expenses		37.80		15.36
Meeting expenses		6.88		5.33
Miscellaneous expenses		4.56		8.50
Office maintenance expenses		59.62		50.67
Office rent		408.04		412.45
Outsourcing expenses		331.07		143.37
Printing and stationery		5.01		5.04
Rates and taxes (including house tax and ground rent)		-		1.52
Telephone expenses		10.47		10.67
Training expenses		41.56		24.64
Travelling and conveyance		110.21		94.89
Vehicle hiring and running expenses		6.51		13.75
Bad debts written off	154.28	-	-	-
Less: Provision for doubtful debts made in earlier years	-154.28	-	-	-
Allowances for doubtful debts and advances		287.02		555.38
Impairment in value of investment		1.00		5.00
Provision for loss of shortage in fixed assets		-		1.00
Total		**1,519.01**		**1,517.88**

* GST Audit fee includes Rs.0.81 lakh for the previous year.

27. Disclosure as per Ind AS 33 "Earnings per Share"

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit after tax used as numerator	2,199.51	2,688.39
Weighted average number of Equity shares used as denominator (basic and diluted)	52,246	52,246
Earning per equity share, face value Rs. 10 each (basic and diluted) (in Rs.)	4,209.91	5,145.64

28. Segment information

The Company is engaged in providing consultancy services to power sector including development of Integrated Transmission Projects (ITP) taken up as per the directions from the Ministry of Power, Government of India. Company has operations in India only. Hence, the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

28.1. Information about major customers

The following customers contributed 10% or more to Company's revenue:

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Fatehgarh-Bhadla Transmission Ltd.	-	658.00
Orissa Integrated Power Limited	695.78	668.38
West Bengal State Electricity Distribution Co. Ltd.	837.47	932.15
Goa-Tanmar Transmission Project Ltd	-	1,658.49
	1,533.26	**3,917.02**

- No other single customer contributed 10% or more to the company's revenue for both 2018-19 and 2017-18.

29. Tax Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	974.48	1,763.23
Income tax adjustment for earlier years	(68.85)	14.66
	905.63	1,777.89
Deferred tax		
In respect of the current year (refer note 6)	60.08	(150.36)
	60.08	(150.36)
Total tax expense recognised in the Statement of profit and loss	965.71	1,627.53

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	3,165.21	4,315.92
Applicable Tax Rate	29.12%	34.61%
Calculated income tax expense	921.71	1,493.65
Tax effect of :		
Non-deductible expenses	50.13	52.83
Income not taxable	(7.92)	(8.74)
Adjustment on account of differential tax rate	-	90.34
Others	1.78	(0.56)
Income tax expense recognised in profit or loss	965.71	1,627.83

30. Business Combination

Pursuant to the order of Ministry of Corporate Affairs dated 30 Jan 2019 relating to amalgamation of PFC Capital Advisory Services Limited (PFCCAS) (transferor company), wholly owned subsidiary of the Power Finance Corporation Limited, has been amalgamated with the PFC Consulting Limited (Transferee company) w.e.f. 01 Apr 2018. It has been evaluated as a Business Combination under common control and has been accounted as per Appendix C to Ind AS 103 'Business Combinations' using pooling of interest method. Accordingly, the opening Balance Sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 have been restated wherever required.

Details of the above business combination :

i) The entire business undertaking of the Transferor Company including all assets and liabilities, as a going concern, stands transferred to in the Company with effect from 1 April 2018 being the appointed date of the amalgamation.

ii) The Transferor Company which was engaged in the business of debt syndication services for power sector have been dissolved without being wound up

iii) In consideration of the amalgamation, the Company has issued 2246 equity shares of Rs. 10 each aggregating to Rs. 0.22 lakh in the ratio of 02246 fully paid up Equity Shares of the face value of Rs. 10/- each of the Company for every 1 fully paid-up equity shares of Rs. 10/- each held in PFCCAS.

iv) Issued share capital of the Company being increased from Rs. 5.00 lakhs to Rs. 5.22 lakhs. Further, pursuant to the Scheme, the authorized share capital of the Company stands increased to Rs. 110 lakhs.

v) The amalgamation has been accounted for under the "Pooling of Interest Method" in accordance with Ind AS 103 Appendix C on Business Combination under common control. Accordingly, all the assets and liabilities of the Transferor Company have been taken at their respective book values as appearing in the books of the Transferor Company. Furthermore, pursuant to the scheme, Rs. 9.78 lakhs, being the difference between the net assets of the transferor company and the purchase consideration (shares of Rs. 0.22 lakhs) issued by the company has been accounted for as Capital reserve of the company.

-Refer Note 37 for the effect of adjustment of amalgamation

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31. Related Party Disclosures

31.1. Name of related parties and description of relationship:

Holding Company			
1	Power Finance Corporation Limited (PFCL)		
Fellow Subsidiary			
1	REC Limited (RECL)	2	REC Power Distribution Company Ltd (through RECL)
3	REC Transmission Projects Company Limited (through RECL)	4	Power Equity Capital Advisors (Pvt) Limited (PECAP)
Associate Company			
1	Ballabhgarh-GN Transmission Company Limited	2	Shongtong Karcham-Wangtoo Transmission Limited
3	Mohindergarh-Bhiwani Transmission Limited	4	Tanda Transmission Company Limited
5	South-Central East Delhi Power Transmission Limited	6	Bijawar-Vidarbha Transmission Limited
7	Bikaner-Khetri Transmission Limited (incorporated on 22.02.2019)	8	Bhuj-II Transmission Limited (incorporated on 25.02.2019)
9	Fatehgarh-II Transco Limited (incorporated on 26.02.2019)	10	Lakadia-Vadodara Transmission Project Limited (incorporated on 15.03.2019)
11	Vapi II North Lakhimpur Transmission Limited		
Associate of Holding Company			
1	Coastal Maharashtra Mega Power Limited (through PFCL)	2	Sakhigopal Integrated Power Company Limited (through PFCL)
3	Orissa Integrated Power Limited (through PFCL)	4	Ghogarpalli Integrated Power Company Limited (through PFCL)
5	Coastal Karnataka Power Limited (through PFCL)	6	Tatiya Andhra Mega Power Limited (through PFCL)
7	Coastal Tamil Nadu Power Limited (through PFCL)	8	Deoghar Mega Power Limited (through PFCL)
9	Chhattisgarh Surguja Power Limited (through PFCL)	10	Cheyyur Infra Limited (through PFCL)
11	Deoghar Infra Limited (through PFCL)	12	Odisha Infrapower Limited (through PFCL)
13	Bihar Infrapower Limited (through PFCL)	14	Bihar Mega Power Limited (through PFCL)
15	Jharkhand Infrapower Limited (through PFCL)	16	Dinchang Transmission Limited (through RECL)
17	Mandar Transmission Limited (through RECL)	18	Chandil Transmission Limited (through RECL)
19	Bhind-Guna Transmission Limited (through RECL)	20	**Dumka Transmission Limited (through RECL)**
21	Jam Khambaliya Transco Limited (through RECL)	22	Jawaharpur-Firozabad Transmission Limited (through RECL)
23	Ajmer Phagi Transco Limited (through RECL)	24	Udupi Kasagode Transmission Limited (through RECL)
25	WRSS XXI (A) Transco Limited (through RECL)	26	Khetri Transco Limited (through RECL)
27	Lakadia Banaskantha Transco Limited (through	28	Ghatampur Transmission Limited (through RECL)
29	Koderma Transmission Limited (through RECL)		
Joint Venture			
1	Energy Efficiency Services Limited (thriugh PFCL)		
Key Managerial Persons (KMP)			
S. No.	**Name**	**Designation**	
1	Shri. Rajeev Sharma (Since 1-Oct-16)	Chairman	
2	Shri. D. Ravi (upto 31-May-18)	Director	
3	Shri. C. Gangopadhyay (Since 25-Jan-15)	Director	
4	Shri P.K. Singh (since 17-Sep-2018)	Director	
5	Shri N.B. Gupta (since 24-Aug-2017)	Director	
6	Shri Subir Mulchandani (upto 9 Oct -18)	Chief Executive Officer	
7	Shri Yogesh Juneja (since 10-Oct-18)	Chief Executive Officer	
8	Shri Manish Kumar Agrawal	Company Secretary	

Entities under the control of same government			
1	NTPC Vidyut Vyapar Nigam Limited	2	MSTC Limited
3	NHPC Limited	4	Coal India Limited
5	Mecon Limited		

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31.2. Details of transactions:

31.2.1. Transactions with Holding Company and its Associates (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manpower Charges	1,640.55	1,540.37
Amount receivable for reimbursement of expenses	960.39	1,464.00
Interest Income on Receivables from UMPPs	26.98	-

31.2.2. Transactions with Associates (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manpower Charges	320.03	358.76
Loans granted	276.24	166.48
Interest Earned	13.19	31.30
Consultancy Income on transfer of ITP to successful Bidder	421.61	2,075.00

31.2.3. Transactions with entities under the control of same government (Rs. in lakh)

Name of related party	Nature of transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
NTPC Vidyut Vyapar Nigam Limited	Short Term Bidding Fees	9.95	40.65
MSTC Limited	Short Term Bidding Fees	1.89	5.30
NHPC Limited	Pilot Scheme Fees	200.00	-
Coal India Ltd.	Consultancy Income	-	33.50
Mecon	Consultancy Income	-	25.00
MSTC Limited	Consultancy Expense	117.00	110.00

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

31.2.4. Compensation of key management personnel:
The Key Managerial personnel (KMP) of the Company are employees of the Power Finance Corporation Limited deployed on part time basis except C.E.O. and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Managerial remuneration paid to KMP is Rs. 129.58 lakh (Previous Year Rs. 66.69 lakh).

31.3. Details of outstanding balances:

31.3.1. Outstanding balances with group companies (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amount receivable including interest accrued			
- From holding company and its associates	2,431.22	650.18	106.68
- From associates	378.61	240.23	242.36

31.3.2. Outstanding balances with entities under the control of same government (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Mecon	-	2.14	2.14

Notes:
- Transactions with the related parties are made on normal commercial terms and conditions and at arm's length.
- Consultancy services provided by the Company to its associates are generally at the terms, conditions and principles applicable for consultancy services provided to other parties

32. Contingent Liabilities

(Rs. in lakh)

S. No.	Description	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
(a)	Bank Guarantee issued (against 100% margin)	409.62	-	27.00

33. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (as at 31-Mar-18 - Rs. Nil and as at 1-Apr-17 - Rs. Nil

34. Obligations under operating leases:

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and for residential use of employees. There are no purchase options in the lease agreements. The lease agreements for premises for residential use of employees are for a period of one to two year and are generally cancellable on mutual consent of both the lessor and the lessee. The lease agreement for the office premises taken by the company during the year are generally cancellable on mutual consent of both the lessor and the lessee. Lease payments in respect of premises for offices Rs. 408.04 lakh (previous year Rs. 412.45 lakh are shown as 'Office Rent' in Note 26- Other Expenses (including lease equalisation expense Rs. 21.70 lakh (previous year Rs. 21.70 lakh) and in respect of Premises for residential use of employees Rs. 21.40 lakh (previous year Rs.36.17 lakh) towards lease payments, net of recoveries are included in Salary and Allowances in Note 24 – Employee Benefit Expenses.

35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (Based on the available information with the company) :

(Rs. in lakh)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i)	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	-	-	0.21
	- Interest due on above	-	-	-
(ii)	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	-	-	-
(iii)	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	-	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
(v)	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	-	-	-

36. Financial Instruments

36.1. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The funding requirements are met through equity and operating cash flows generated.

36.2. Categories of financial instruments

Financial assets and liabilities (Rs. in lakh)

Particulars	Note	As At 31 March 2019	As At 31 March 2018	As At 1 April 2017
Financial assets measured at amortised cost				
Cash and cash equivalents	10	3,455.37	3,889.58	3,360.31
Other Bank Balances	11	2,675.40	6,188.47	8,074.23
Trade receivables	9	2,964.59	786.36	414.57
Loans	4	607.70	452.41	466.47
Other financial assets	5	1,599.93	10,611.31	15,096.70
Total		**11,302.99**	**21,928.13**	**27,412.27**
Financial liabilities measured at amortised cost				
Trade payables	17	762.13	355.87	299.89
Other Financial Liabilities	18	2,036.22	1,767.96	2,846.81
Total		**2,798.35**	**2,123.83**	**3,146.70**

- Refer Accounting Policy No. 1.3 (xiv) on financial instruments.

36.3. Financial Risk Management

The Company's financial liabilities comprise of trade payables and other payables. The Company's financial assets comprise of cash and cash equivalents, other bank balances, loan to associates (ITPs), trade receivables and other financial assets. For managing the risks, the company ensure that the risks are monitored carefully and managed efficiently. These risks include market risk, credit risk and liquidity risk.

The following disclosures summarize the Company's exposure to financial risks along with the Company's polices and processes for measuring and managing each of above risks.

A. Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, company considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with sufficient cash balance throughout the year ended 31 March 2019 and 31 March 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

B. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign Currency Risk

The company has no exposure to the changes in the rates of foreign currency exchange rates as the company do not have any transactions from the international market and all the activities of the company are limited to India only

ii) Interest Rate Risk

The company's interest income is majorly derived from terms deposits, loan to associates and amount receivable from associates of Holding Company. The term deposits are invested at fixed market interest rate and hence these are not exposed to change in interest rates. Further loans/amount receivable from associates and associates of Holding company are current and are recoverable within a year. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits, loan to associates and amount receivable from associates of Holding Company.

iii) Equity Price Risk

The company is not exposed to equity price risk as company has equity investment only in its associates (ITPs) which are not tradable in the market.

C. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company primarily provides consultancy services to customers comprising, mainly state electricity boards owned by state government and other government owned enterprises. The risk of default in case of these state owned companies is considered to be insignificant. A default occurs when there is no significant possibility of recovery of receivables after considering all available options for recovery. However, All trade receivables are reviewed and assessed for default on a yearly basis and allowances for expected credit loss provided for, if any.

i) **Trade Receivables**

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base comprises, mainly state electricity boards owned by state governments and other government owned enterprises. Company's historical experience of collecting receivables is that credit risk is low.

Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties. ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

(I) Ageing analysis of Trade receivables is as follows : (Rs. in lakh)

Particulars	0 to 1 year	1 to 2 year	More than 2	Total
Gross carrying amount as at 31 March 2019	2,961.37	6.45	905.34	3,873.16
Gross carrying amount as at 31 March 2018	730.70	111.31	903.79	1,745.80
Gross carrying amount as at 01 April 2017	388.06	53.02	746.84	1,187.91

(II) Movement in the expected credit loss allowance (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	959.44	773.35
-Impairment allowance reversal	112.52	205.62
-Impairment losses recognised	61.64	391.72
Balance at the end of the year	**908.57**	**959.44**

ii) **Loans**

The Company has given loans to employees and associates. Loans to the employees have been given in line with the policies of the Company. Loan to associates are interest bearing loans given by way of allocation of expenditure and charging of manpower cost. The loan provided to employees and related companies are collectible in full and risk of default is negligible. However, 100% impairment loss is provided for the loan to associates wherein the project underlying the company is de-notified by the Ministry of Power.

iii) **Cash and cash equivalents**

The Company held cash and cash equivalents of Rs. 3455.37 lakh (as at 31 March 2018: Rs. 3889.58 lakh and as at 1 April 2017: Rs.3360.31 lakh). The cash and cash equivalents are held with banks with high rating and hence risk of default is negligible.

iv) **Deposits with banks**

The Company held deposits with banks of Rs. 3099 lakh (as at 31 March 2018: Rs. 16025.26 lakh and as at 1 April 2017: Rs. 22922 lakh). In order to manage the risk, Company places deposits with only high rated banks.

36.4. **Fair value hierarchy**

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note: The Company does not have the financial assets and financial liabilities that are measured at fair value on a recurring basis.

37. Reconciliations for First Time Adoption of Ind AS

A. Effect of Ind AS adoption on the balance sheet as at 31 March 2018 and 01 April 2017

(Rs. in lakh)

Particulars	Note No.	As at 31 March 2018				As at 01 April 2017			
		Previous GAAP*	Adjustment due to merger**	Effect of transition to Ind AS	Ind-AS	Previous GAAP*	Adjustment due to merger**	Effect of transition to Ind AS	Ind-AS
ASSETS									
Non-current assets									
Property, plant and equipment		255.13	-	-	255.13	324.25	0.19	8.08	333.02
Other intangible assets		13.88	-	-	13.88	24.35	-	-	24.35
Financial assets		-	-	-	-	-	-	-	-
Loans	(i,ii)	208.96	-	(56.95)	152.01	225.95	-	(44.71)	181.24
Other financial assets		9,321.06	515.74	-	9,836.79	14,675.44	172.35	-	14,847.78
Deferred tax assets	(iv)	385.60	0.06	120.68	506.34	347.71	0.22	8.05	355.99
Other non-current assets	(i,ii)	-	-	74.66	74.66	-	-	50.33	50.33
Sub-Total (1)		**10,184.64**	**515.80**	**138.39**	**10,838.83**	**15,598.21**	**172.76**	**21.75**	**15,792.71**
Current assets									
Financial assets									
Investments		2.00	-	-	2.00	9.00	-	-	9.00
Trade receivables		1,200.77	-	(414.41)	786.36	437.84	-	(23.27)	414.57
Cash and cash equivalents	(iii)	3,889.01	0.57	-	3,889.58	3,225.89	134.42	-	3,360.31
Other bank balances		5,845.14	343.33	-	6,188.47	7,560.03	514.20	-	8,074.23
Loans	(i,ii)	336.14	-	(35.74)	300.40	306.32	-	(21.09)	285.23
Other financial assets		774.35	0.17	-	774.52	248.30	0.62	-	248.92
Current tax assets (net)		196.44	0.55	-	196.99	273.58	2.81	-	276.39
Other current assets	(i,ii)	203.56	5.42	22.66	231.64	330.52	5.36	14.46	350.34
Sub-Total (2)		**12,447.41**	**350.04**	**(427.49)**	**12,369.96**	**12,391.47**	**657.41**	**(29.90)**	**13,018.98**
Total assets (1+2)		**22,632.04**	**865.84**	**(289.10)**	**23,208.79**	**27,989.67**	**830.16**	**(8.15)**	**28,811.69**
EQUITY AND LIABILITIES									
Equity share capital		5.00	0.22	-	5.22	5.00	0.22	-	5.22
Other equity	(v)	19,251.31	864.79	(289.10)	19,827.00	24,593.72	826.46	(105.68)	25,314.50
Sub-Total (3)		**19,256.31**	**865.01**	**(289.10)**	**19,832.23**	**24,598.72**	**826.69**	**(105.68)**	**25,319.73**
Liabilities									
Non-current liabilities									
Other non-current liabilities		38.19	-	-	38.19	16.49	-	-	16.49
Sub-Total (4)		**38.19**	**-**	**-**	**38.19**	**16.49**	**-**	**-**	**16.49**
Current liabilities									
Financial liabilities		-	-	-	-	-	-	-	-
Trade payables		-	-	-	-	-	-	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	0.21	-	-	0.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		355.87	-	-	355.87	299.89	-	-	299.89
Other financial liabilities		1,767.42	0.55	-	1,767.96	2,836.03	0.99	9.79	2,846.81
Other current liabilities		679.04	0.03	-	679.08	144.87	0.11	-	144.98
Provisions		535.22	0.25	-	535.47	93.46	2.38	87.74	183.58
Sub-Total (5)		**3,337.54**	**0.83**	**-**	**3,338.37**	**3,374.46**	**3.48**	**97.53**	**3,475.47**
Total equity and liabilities (3+4+5)		**22,632.04**	**865.84**	**(289.10)**	**23,208.79**	**27,989.67**	**830.16**	**(8.15)**	**28,811.69**

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs

Notes :

(i) Security Deposits (Rental deposits)
Under the previous GAAP, interest free refundable security deposits were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has measured these security deposits at amortised cost under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unamortised security deposit (rent).

(ii) Loans to Employees
Under previous GAAP, employee loans to be settled in cash or another financial asset were recorded at cost. Under Ind AS 32, Employee Loans are required to be measured at amortized cost. Thus as the interest rate on such financial assets is lower than market rate, these financial assets have been discounted to present value. Difference between the fair value and transaction value of the employee loans has been recognised as unamortised employee cost

(iii) Others
Cash and cash equivalents, other bank balances and dividend distribution tax have been reclassified as per the presentation/disclosure requirements of Ind AS and division II of Schedule III of Companies Act, 2013. There is no impact on the total equity or profit as a result of these classifications

(iv) Deferred Tax
Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base

(v) Retained Earnings
Retained earnings as at 1 April 2017 has been adjusted consequent to the above Ind AS transition adjustments.

** Refer Note 30 for details of Business Combination

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Notes to Standalone Ind AS financial statements

B. Effect of Ind AS adoption on Standalone Statement of Profit and Loss for the year ended 31 March 2018 (Rs. in lakh)

Sr. No.	Particulars	Note No.	Previous GAAP*	Adjustment due to merger	Effect of transition to Ind AS	Ind-AS
	Income					
I.	Revenue from operations		6,045.19	-	-	6,045.19
II.	Other income	(i,ii)	1,841.72	61.08	25.24	1,928.04
III.	**Total Income (I+II)**		**7,886.91**	**61.08**	**25.24**	**7,973.23**
IV.	**Expenses**		-	-	-	-
	Consultancy Service Expense		657.33	-	-	657.33
	Employee benefits expense	(ii)	1,335.20	-	12.70	1,347.90
	Finance cost		-	-	-	-
	Depreciation and amortisation expense		134.20	-	-	134.20
	Other expenses	(i)	1,113.88	4.85	399.14	1,517.88
	Prior Period Items (net)	(iii)	90.56	-	(90.56)	-
	Total Expenses (IV)		**3,331.17**	**4.85**	**321.28**	**3,657.31**
V.	**Profit/(loss) before tax (III-IV)**		**4,555.74**	**56.23**	**(296.04)**	**4,315.92**
VI.	Tax expense:		-	-	-	-
	Current tax		1,748.44	14.79	-	1,763.23
	Income Tax adjustment for earlier years		11.71	2.95	-	14.66
	Deferred tax	(iv)	(37.89)	0.16	(112.62)	(150.36)
	Total Tax Expense (VI)		**1,722.25**	**17.90**	**(112.62)**	**1,627.53**
VII	**Profit/(loss) for the period (V-VI)**		**2,833.48**	**38.33**	**(183.42)**	**2,688.39**
VIII	**Other Comprehensive Income**		-	-	-	-
IX	**Total Comprehensive Income for the period (VII+VIII)**		**2,833.48**	**38.33**	**(183.42)**	**2,688.39**

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Note :

i) Security Deposits (Rental deposits)

Under the previous GAAP, interest free refundable security deposits were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has measured these security deposits at amortised cost under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unamortised security deposit (rent).

ii) Loans to Employees

Under previous GAAP, employee loans to be settled in cash or another financial asset were recorded at cost. Under Ind AS 32, Employee Loans are required to be measured at amortized cost. Thus as the interest rate on such financial assets is lower than market rate, these financial assets have been discounted to present value. Difference between the fair value and transaction value of the employee loans has been recognised as unamortised employee cost.

iii) This represents adjustment of prior period items shown under previous GAAP in the relevant year as per Ind AS

iv) Deferred Tax

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

PFC CONSULTING LIMITED
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Notes to Standalone Ind AS financial statements

C. Reconciliation of equity as previously reported under Indian GAAP to Ind-AS (Rs. in lakh)

Particulars	As at 31 March 2018	As at 1 April 2017
Other Equity as reported under previous GAAP*	**19251.31**	**24593.72**
Impact of Merger on Other Equity	864.79	826.46
Ind-AS Adjustments:		
Expected Credit Loss	(414.41)	(23.27)
Deferred Tax Asset on above ECL	120.68	8.05
Reversal of provision for CSR	0.00	1.10
Unwinding of discount on employee loan valued at amortised cost	6.30	0.00
Unwinding of discount on security deposit valued at amortised cost	(1.66)	(1.01)
Prior period adjustments	0.00	(90.56)
Total Impact on Equity	**575.98**	**720.78**
Other Equity as reported under Ind-AS	**19827.00**	**25314.50**

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

D. Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

Particulars	(Rs. in lakh) For the year ended 31 March 2018
Net profit after tax as reported under Previous GAAP	**2833.48**
Net profit after tax as reported under Previous GAAP of PFCCAS (post-merger)	38.33
Adjustments related to:	
Effective Interest Rate (EIR) / Income on loans classified at amortised	5.65
Reinstatement of prior period expenses	90.56
Impairment allowance (ECL)	(391.14)
Others - CSR provision	(1.10)
DTA on amount of accumulated Impairment allowance in excess of reserve for bad and doubtful debts	112.62
Total of adjustments	**(145.09)**
Net profit after tax as per Ind AS	**2688.39**
Other comprehensive income, net of tax	0.00
Total comprehensive income (net of tax) as per Ind AS	**2688.39**

E. Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31 March 2018 (Rs. in lakh)

S. No.	Particulars	Previous GAAP	Adjustment due to merger	Effect of transition to Ind AS	Ind-AS
(i)	Net cash generated / (used) from Operating Activities	162.17	(22.41)	25.86	165.61
(ii)	Net cash generated / (used) from Investing Activities	7,516.76	(103.75)	1,126.54	8,539.55
(iii)	Net cash generated / (used) from financing activities	(8,175.90)	-	-	(8,175.90)
(iv)	Net Increase / Decrease in Cash and Cash Equivalents during the ye	(496.97)	(126.16)	1,152.40	529.27
(v)	Add : Cash and Cash Equivalents at beginning of the financial year	2,458.98	126.73	774.60	3,360.31
(vi)	Cash and Cash Equivalents at the end of the period	1,962.01	0.57	1,927.00	3,889.58

F. Analysis of Cash and cash equivalents as at 31 March 2018 and 1 April 2017 for the purpose of statement of cash flow under Ind AS

Particulars	As at 31 March 2018	(Rs. in lakh) As at 1 April 2017
Cash and cash equivalents for the purpose of statement of cash flow as per previous GAAP	1,962.01	2,458.98
Cash and cash equivalents for the purpose of statement of cash flow as per Ind AS	3,889.58	3,360.31

PFC CONSULTING LIMITED
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(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Notes to Standalone Ind AS financial statements

38. Transactions in foreign currency -

(i) **Earnings**

Earnings in foreign currency-Rs. Nil (Previous Year- Rs. Nil).

(ii) **Expenditure**

Expenditure in foreign currency-Rs. Nil (Previous Year- Rs. Nil).

39. Corporate Social Responsibility (CSR) Expenses

a) Details of gross amount required to be spent by the Company during the year (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	133.04	125.06
Carry forward from previous year	5.74	1.10
Gross amount required to be spent	138.78	126.16
Amount spent during the year *	133.04	120.42
Unspent amount	5.74	5.74

b) Details of amount spent during the year (Rs. in lakh)

Particulars	For the year ended			For the year ended		
	Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
Construction / Acquisition of any asset	-	-	-	-	-	-
On Purposes other than (i) above						
Swachh Bharat Kosh	133.04	5.74	138.78	119.32	5.74	125.06
Environmental Sustainability (Solar Applications / Afforestation /Energy Efficient LED Lighting)	-	-	-	1.10	-	1.10
Total (ii)	**133.04**	**5.74**	**138.78**	**120.42**	**5.74**	**126.16**
Grand Total (i) and (ii)	**133.04**	**5.74**	**138.78**	**120.42**	**5.74**	**126.16**

40. Incorporation of Associate Companies

During the year, following associates (ITP) have been incorporated (Rs. in lakh)

Company Name	Date of Incorporation	Share in ownership	Investment in Share Capital
Vapi II-Lakhimpur Transmission Limited	25-Jun-18	100%	1.00
Obra-C Badaun Transmission Limited	09-Aug-18	100%	1.00
Bikaner-Khetri Transmission Limited	22-Feb-19	100%	1.00
Bhuj-II Transmission Limited	25-Feb-19	100%	1.00
Fatehgarh-II Transco Limited	26-Feb-19	100%	1.00
Lakadia-Vadodara Transmission Project Limited	15-Mar-19	100%	1.00

41. Transfer of Associate Companies

Name of the Company	Date of Incorporation	Date of transfer to successful bidders
Obra-C Badaun Transmission Limited	09-Aug-18	21-Dec-18

42. Events occurring after the reporting date

There are no subsequent events which require any adjustment in financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 00973413)

For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17.06.2019

KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS
706, AKASH DEEP, 26-A, BARAKHAMBA ROAD
NEW DELHI - 110 001

Independent Auditor's Report
To the Members of PFC Consulting Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PFC Consulting Limited**, (hereinafter referred to as "the Holding Company") and its Associates, which comprise of the consolidated Balance Sheet as at 31st March 2019, the consolidated statement of Profit and Loss, the consolidated statement of Changes in Equity and the consolidated statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 consolidated state of affairs of the Holding Company and its Associates as at 31st March 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding Company and its Associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

i) We draw attention to Note No.1.3 (vi) to the consolidated financial statements. On first time adoption of Ind AS, the Company has treated its wholly owned subsidiaries as 'Associates' and followed 'Equity Method' of accounting.

ii) We also draw attention to Note No.9 to the consolidated financial statements. All trade receivables have been classified as current assets.

Our opinion is not modified in respect of above matters.

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Other Information
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon.

The Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements
The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Holding Company and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Associates 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the management and respective Board of Directors of Holding Company and of its Associates are responsible for assessing the ability of the Holding Company and of its Associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its Associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its Associates are also responsible for overseeing the financial reporting process of the Holding Company and of its Associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its Associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

(a) The consolidated financial statements include the Holding Company's share of net loss of Rs.11,526 for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of six associates, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Holding Company's share of net loss of Rs.39,873 for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of four associates, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

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disclosures included in respect of these Associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of Associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated Balance Sheet, the consolidated statement of Profit and Loss, the consolidated statement of Changes in Equity, the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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) In terms of Notification No. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not applicable to the Holding Company and its associates, being Government Companies.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",

g) The Company is a Government Company, therefore, Section 197 of the Act related to the managerial remuneration is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014), in our opinion and to the best of our information and according to the explanations given to us:

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i. There were no pending litigations which would impact the consolidated financial position of the Holding Company and its Associates;

ii. the Holding Company and its Associates 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 Holding Company and its Associates.

For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No. 001297N)

S. Srivastava

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

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Annexure - A to the Independent Auditor's Report

Referred to in Paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PFC Consulting Limited ("the Holding Company") and its Associates, which are companies incorporated in India, as of 31st March 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its Associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including

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the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the internal financial controls with reference to financial statements in so far as applicable to six Associates, is based on the corresponding reports of the auditors of such Associates

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incorporated in India and in respect of four Associates, whose financial statements are unaudited, we have relied on the explanation provided by the management of the Holding Company. In our opinion, the same is not considered material for the consolidated financial statement of the Holding Company and its Associates.

For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No. 001297N)

Sanjeev Srivastava
Partner
Membership No.502238

Place : New Delhi
Date : 17th June, 2019

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PFC CONSULTING LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of PFC Consulting Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) 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 17.06.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of PFC Consulting Limited for the year ended 31 March 2019 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of PFC Consulting Limited, South-Central East Delhi Power Transmission Limited and Mohindergarh-Bhiwani Transmission Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

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

Place: New Delhi
Date: 29/08/2019

ANNEXURE

List of Subsidiaries, Associate Companies and Jointly Controlled Entities of PFC Consulting Limited whose financial statements were not audited by the Comptroller and Auditor General of India

A. **Associate Companies incorporated in India:**
   1. Tanda Transmission Company Limited
   2. Ballabhgarh-GN Transmission Company Limited
   3. Bijawar-Vidarbha Transmission Limited
   4. Shongtong Karcham-Wangtoo Transmission Limited
   5. Vapi II-Lakhimpur Transmission Limited
   6. Bikaner-Khetri Transmission Limited
   7. Bhuj-II Transmission Limited
   8. Fatehgarh-II Transco Limited
   9. Lakadia-Vadodara Transmission Project Limited

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Consolidated Balance Sheet as at 31 March 2019

(Rs. in lakh)

	Particulars	Note no.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(I)	**ASSETS**				
(1)	**Non-current assets**				
	(a) Property, plant and equipment	2	208.32	255.13	333.02
	(b) Other Intangible assets	3	3.87	13.88	24.35
	(c) Financial assets				
	(i) Loans	4	164.99	152.01	181.24
	(ii) Other financial assets	5	423.61	9,836.79	14,847.78
	(d) Deferred tax assets (net)	6	446.27	506.34	355.99
	(e) Other non-current assets	7	121.73	74.66	50.33
	Total Non-current assets		**1,368.78**	**10,838.83**	**15,792.71**
(2)	**Current assets**				
	(a) Financial assets				
	(i) Investments	8	4.29	1.61	7.93
	(ii) Trade receivables	9	2,964.59	786.36	414.57
	(iii) Cash and cash equivalents	10	3,455.37	3,889.58	3,360.31
	(iv) Bank balances other than cash and cash equivalents	11	2,675.40	6,188.47	8,074.23
	(v) Loans	4	442.71	300.40	285.23
	(vi) Other financial assets	5	1,176.33	774.52	248.92
	(b) Income tax assets (net)	12	413.48	196.99	276.39
	(c) Other current assets	13	179.35	231.64	350.34
	Total Current assets		**11,311.51**	**12,369.57**	**13,017.91**
	Total Assets		**12,680.29**	**23,208.40**	**28,810.62**
(II)	**EQUITY AND LIABILITIES**				
(1)	**Equity**				
	(a) Equity share capital	14	5.22	5.22	5.22
	(b) Other equity	15	9,168.51	19,826.61	25,313.43
	Total Equity		**9,173.73**	**19,831.84**	**25,318.66**
(2)	**Liabilities**				
(A)	**Non-current liabilities**				
	(a) Other non-current liabilities	16	59.89	38.19	16.49
	Total Non-current liabilities		**59.89**	**38.19**	**16.49**
(B)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Trade payables	17			
	(A) total outstanding dues of micro enterprises and small enterprises, and		-	-	0.21
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		762.13	355.87	299.89
	(ii) Other financial liabilities	18	2,036.22	1,767.96	2,846.81
	(b) Other current liabilities	19	390.23	679.08	144.98
	(c) Provisions	20	258.09	535.47	183.58
	Total current liabilities		**3,446.67**	**3,338.37**	**3,475.47**
	Total Equity and Liabilities		**12,680.29**	**23,208.40**	**28,810.62**

See accompanying notes from s.no. 1 to 43 to the Consolidated financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)	**(Yogesh Juneja)**	**(N.B.Gupta)**	**(Rajeev Sharma)**
Company Secretary	Chief Executive Officer	Director	Chairman
M. No. F5048		(DIN 00530741)	(DIN 00973413)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17-06-2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(Rs. in lakh)

	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
	Income			
I.	Revenue from operations	21	5,757.28	6,045.19
II.	Other income	22	1,260.12	1,928.04
III.	Total Income (I+II)		7,017.40	7,973.23
IV.	Expenses			
	Consultancy services expense	23	1,033.06	657.33
	Employee benefits expense	24	1,193.97	1,347.90
	Depreciation and amortisation expense	25	106.14	134.20
	Other expenses	26	1,518.81	1,517.59
	Total expenses (IV)		3,851.99	3,657.02
V.	Profit before share of profit/(loss) of associates		3,165.41	4,316.21
VI.	Share of profit/(loss) of associates accounted for using equity method		(0.51)	0.39
VII.	Profit before tax (V+VI)		3,164.90	4,316.60
VIII.	Tax expenses:	29		
	Current tax		974.48	1,763.23
	Income tax adjustment for earlier years		(68.85)	14.66
	Deferred tax		60.08	(150.36)
	Total tax expenses (VIII)		965.71	1,627.53
IX.	Profit for the year (VII-VIII)		2,199.19	2,689.07
X.	Other comprehensive income		-	-
XI.	Total comprehensive income for the year (IX+X)		2,199.19	2,689.07
	Earnings per equity share in Rs. : (face value Rs. 10/- each)	27		
	Basic		4,209.30	5,146.95
	Diluted		4,209.30	5,146.95

See accompanying notes from s.no. 1 to 43 to the Consolidated financial statements

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 009734

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17-06-2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Consolidated Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital

(Rs. in lakh)

Particulars	Amount
Balance as at 1 April 2017	5.00
Effect of Business Combination with PFC Capital Advisory Services Limited*	0.22
Balance as at 1 April 2017 after merger	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2018	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**5.22**

* During the financial year 2018-19, pursuant to merger of PFC Capital Advisory Limited (PFCCAS) with the company, 2246 shares (Rs. 10 each) were issued to the shareholder of PFCCAS. The opening Balance Sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 have been restated duly considering the impact of amalgamation. (Refer note : 30)

B. Other Equity

(Rs. in lakh)

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained earnings	
Balance as at 1 April 2017	9.78	25,303.66	**25,313.43**
Total Comprehensive Income for the year	-	2,689.07	**2,689.07**
Payment of final dividend for 2016-17	-	(1,793.00)	**(1,793.00)**
Tax on final dividend for 2016-17	-	(365.01)	**(365.01)**
Payment of interim dividend for 2017-18	-	(5,000.00)	**(5,000.00)**
Tax on interim dividend for 2017-18	-	(1,017.88)	**(1,017.88)**
Balance as at 31 March 2018	**9.78**	**19,816.84**	**19,826.61**
Total Comprehensive Income for the year	-	2,199.19	**2,199.19**
Payment of final dividend for 2017-18 *	-	(665.00)	**(665.00)**
Tax on final dividend for 2017-18 *	-	(136.69)	**(136.69)**
Payment of interim dividend for 2018-19	-	(10,000.00)	**(10,000.00)**
Tax on interim dividend for 2018-19	-	(2,055.60)	**(2,055.60)**
Balance as at 31 March 2019	**9.78**	**9,158.73**	**9,168.51**

* Represents dividend and dividend tax paid by PFCCAS before merger of PFCCAS with the group.

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 0097341)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17-06-2019

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Consolidated Cash Flow Statement for the year ended 31 March 2019

(Rs. in lakh)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Cash flow from operating activities:**		
	Profit before tax	3,164.90	4,316.60
	Adjustments for:		
	Depreciation and amortisation	106.14	134.20
	Interest income	(1,110.97)	(1,687.92)
	Provision for doubtful debts	287.02	555.38
	Provision for diminution in value of investment	0.81	4.71
	Provision for loss of asset pending investigation	-	1.00
	Unwinding of discount on employees loans	(20.39)	(19.00)
	Unwinding of discount on security deposit	(6.80)	(6.24)
	Gain on sale/transfer/buyback of assets	(0.10)	-
	Assets written off	4.52	0.27
	Provision written back- for expenses	(9.10)	(8.92)
	Provision written back- for doubtful debts and advances	(112.63)	(205.62)
	Share of profit/loss of associates	0.51	(0.39)
	Operating Profit before Working Capital changes	**2,303.91**	**3,084.07**
	Adjustments for changes in Working Capital :		
	- Increase/(decrease) in trade payables	415.36	64.69
	- Increase/(decrease) other non- current financial liabilities	268.26	(1,078.85)
	- Increase/(decrease) in current provisions	(277.37)	351.89
	- Increase/(decrease) in other current liabilities	(288.85)	534.09
	- Increase/(decrease) in other non current liabilities	21.70	21.70
	- Increase/(decrease) in trade receivables	(2,065.60)	(166.18)
	- (increase)/decrease in non current loans	(12.98)	29.23
	- (increase)/decrease in current loans	(429.33)	(570.55)
	- (Increase)/decrease in other current financial Assets	(401.81)	(525.60)
	- (Increase)/decrease in other current assets	52.30	118.70
	- (Increase)/decrease in other non current assets	(19.88)	0.91
	Cash generated from / (used in) operating activities	**(434.29)**	**1,864.10**
	Income taxes paid (net)	(1,122.13)	(1,698.48)
	Net cash generated from / (used in) operating activities	**(1,556.42)**	**165.61**
B.	**Cash flow from Investing activities:**		
	Payment for purchase of property, plant and equipment	(60.51)	(54.29)
	Payment for purchase of intangible assets	(0.47)	-
	Increase/(decrease) other non current financial Assets	9,413.18	5,010.99
	Increase/(decrease) other Bank Balances	3,513.68	1,885.75
	Proceeds from sale of property plant and equipment	7.25	7.17
	Sale/(Purchase) of financial assets	(4.00)	2.00
	Interest received	1,110.97	1,687.92
	Net cash generated from/ (used in) Investing activities	**13,979.50**	**8,539.55**
C.	**Cash flow from Financing Activities:**		
	Dividend paid	(10,665.00)	(6,793.00)
	Corporate dividend tax paid	(2,192.29)	(1,382.90)
	Net cash generated from/ (used in) financing activities	**(12,857.29)**	**(8,175.90)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(434.21)**	**529.27**
	Cash and cash equivalents at the beginning of the year	**3,889.58**	**3,360.31**
	Cash and cash equivalents at the end of the year (refer note 10)	**3,455.37**	**3,889.58**
	Cash and cash equivalents comprises :		
	Balance with banks		
	- in current accounts	1,732.80	1,962.58
	- in deposit accounts with original maturity upto 3 months	1,722.57	1,927.00
		3,455.37	**3,889.58**

For and on behalf of Board of Directors

(Manish Kumar Agrawal)	**(Yogesh Juneja)**	**(N.B.Gupta)**	**(Rajeev Sharma)**
Company Secretary	Chief Executive Officer	Director	Chairman
M. No. F5048		(DIN 00530741)	(DIN 00973413)

As per our report of even date attached
For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place : New Delhi
Date : 17-06-2019

1 **Corporate Information and Significant Accounting Policies**

1.1 **Corporate Information**

PFC Consulting Limited ("the Company" or "PFCCL") is a public company incorporated under the Companies Act 1956 on 25th March 2008, domiciled in India and limited by shares (CIN: U74140DL2008GOI175858). The registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001.

The Company is a wholly owned subsidiary of Power Finance Corporation Limited (a listed company with majority shareholding held by the Government of India (GoI). The Company provides consultancy services to power sector including being the nodal agency for implementing GoI schemes relating to Independent Transmission Projects (ITPs) and PFC being the Nodal agency for development of Ultra Mega Power Projects (UMPPs) has entrusted all the work related to UMPPs to PFCCL.

The consolidated financial statements comprise the financial statements of the Company and its associates (collectively referred to as "the Group").

1.2 **Statement of Compliance and basis of preparation and presentation**

i) The Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 01.04.2018. These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, applicable provisions of the Companies Act, 2013 and other applicable regulatory requirements. These are the Group's first Ind AS Consolidated Financial Statements. The date of transition to Ind AS is 01 April 2017.

In the earlier years, the Group was not required to prepare its consolidated financial statements in terms of paragraph 11 of Accounting Standard 21 which states that the subsidiary is not consolidated when control is intended to be temporary. The subsidiary companies i.e. ITP's are formed and held exclusively with a view to the subsequent disposal to successful bidders on completion of the bidding process. However, from financial year 2018-19 the Group has prepared the consolidated financial statements as required under Ind AS.

The Group has followed the provisions of Ind AS 101-'First time adoption of Indian Accounting Standards' in preparing its opening Ind AS Consolidated Balance Sheet as of the date of transition and adjustments have been made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 01 April 2017.

The mandatory exceptions and optional exemptions availed by the Group on First-time adoption have been detailed in Note 1.4. Further, in accordance with Ind AS 101, the Group has presented a reconciliation of total equity under previous GAAP and under Ind AS as at 31.03.2018 and 01.04.2017 and of the Profit after tax as per previous GAAP and total comprehensive income under Ind AS for the year ended 31.03.2018 as detailed in Note 1.4.

An entity's estimates in accordance with Ind AS are consistent with estimates made in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies) at the date of transition to Ind AS , unless there is objective evidence that those estimates were in error.

ii) These Consolidated financial statements were approved by Board of Directors on 17 June 2019.

iii) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

a) **Ind AS 116 - Leases:**

Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognized assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The group is evaluating the effect of the above in the financial statements.

b) **Amendment to Ind AS 12 – Income taxes:**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group is evaluating the effect of the above in the financial statements.

c) **Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:**

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The group is evaluating the effect of the above in the financial statements.

1.3 Significant Accounting Policies

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

i) Basis of Preparation and Measurement

These Consolidated financial statements of the group have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value at the end of each reporting period

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Amount in the financial statements are presented in Rs. Lakh (upto two decimals) except for per share data and as other-wise stated

ii) Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next year, is in respect of valuation of trade receivables and provisions for taxation.

iii) Revenue recognition

(i) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the parent Company.

(ii) Income from other consulting services rendered is recognised based on the terms of agreements/ arrangements with reference to the stage of completion of contract at the reporting date.

(iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Interest income, on the financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

(iv) Interest income, on the financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

(v) The income from sale of Request for qualification (RfQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.

(vi) Income from short /Medium term bidding of power, Pilot scheme and Coal flexibility scheme is recognised when letter of award (LOA) is issued to the successful bidder.

(vii) Other income and expenses are accounted on accrual basis, in accordance with the terms of the respective contract

(viii) Prepaid expenses are not recognized if prepaid amount is less than Rs. one lac.

iv) Property, Plant and Equipment (PPE) and Depreciation

i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.

ii. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Group as 2 years instead of 5 years as per Schedule II to the Companies Act, 2013. Residual value is estimated as 5% of the original cost of PPE. The Group reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.

iii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

iv. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

v. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under property, plant and equipment. These Leasehold Improvements are amortised on straight-line method basis over the period of lease or their useful lives whichever is lower.

v) Intangible Assets

i Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over useful life of the assets.

ii Estimated useful life of the intangible assets with finite useful lives has been estimated by the Group as 36 months.

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

vi) Basis of Consolidation

The Consolidated Financial Statements incorporate the standalone financial statements of the Company, and its investments in associates are accounted using equity method.

The financial statements of associates are drawn up to the same reporting date as of the Group for the purpose of Consolidation.

An associate is an entity over which the Parent has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The associates have been consolidated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an evidence of impairment, then the Group recognises impairment loss equal to the excess of its carrying amount over the recoverable amount of the respective asset. Recoverable amount is the fair value less cost to sell of the respective asset.

The Group has 11 wholly owned subsidiaries as on 31 March 2019 registered for Independent Transmission Projects formed as special purpose vehicle (SPVs). These subsidiaries have been treated as "Associates" for the purpose of consolidation. Although, under para 4 of Ind AS 110 and para 17 of Ind AS – 28, PFCCL is not required to prepare/present consolidated financial statements and cash flow statement. The Company has decided to prepare consolidated financial statement as at 31 March 2019.

ITPs/SPVs, though wholly owned subsidiaries under the Companies Act - 2013, have been consolidated as 'associates' using equity method and have applied uniform accounting policies for like transactions.

The details of 11 Associates consolidated on the basis of the "equity method" are given below :

S. No.	Name of the Company
1	Tanda Transmission Company Limited
2	Ballabhgarh-GN Transmission Company Limited
3	Mohindergarh-Bhiwani Transmission Limited
4	South-Central East Delhi Power Transmission Limited
5	Bijawar-Vidarbha Transmission Limited
6	Shongtong Karcham-Wangtoo Transmission Limited
7	Vapi II-Lakhimpur Transmission Limited
8	Bikaner-Khetri Transmission Limited
9	Bhuj-II Transmission Limited
10	Fatehgarh-II Transco Limited
11	Lakadia-Vadodara Transmission Project Limited *

* The ITP - Lakadia-Vadodara Transmission Project Limited was incorporated on 15 March 2019 and PFCCL has subscribed for 100% equity in this Company. However, the shares were allotted to PFCCL in April 2019, hence the same is not presented in the investment schedule

The Share capital of all the associates as on 31-Mar-2019, 31-Mar-2018 and 1-Apr-17 was held by the parent Company.

vii) Cash and cash equivalents

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

viii) Income Taxes

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

(i) Current Tax

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

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

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

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

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

ix) **Employee Benefits**

(i) **Leave Encashment, Provident Fund, Pension benefits, Gratuity and other post retirement benefits**
The employees of the Company are on deputation from the Holding Company (Power Finance Corporation Limited) and NTPC Limited. 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 and NTPC Limited, the Company is required 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.

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

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

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

xi) **Provisions and contingent liabilities**

(i) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

xii) **Leases**
Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases.
Lease rentals are charged to the Statement of Profit and Loss on Straight line basis over the lease term.

xiii) **Business Combination under Common Control**
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:
• The assets and liabilities of the combining entities are reflected at their carrying amounts.
• No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
• The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves

xiv) Financial instruments

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

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

1 Financial assets

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

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

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

a) Financial assets at Amortised Cost:

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

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fees, points paid or received, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

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

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

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

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset, and

• the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

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

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

ii) **Impairment of financial assets**

Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties.

ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

iii) **De-recognition of financial assets**

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

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

2 Financial liabilities

i) All financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method

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

ii) De-recognition of financial liabilities

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

xv) **Earnings per share**

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) **Dividends**

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

xvii) **Foreign Currency Transactions and Translations**

The reporting and functional currency of the Group is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

1.4 First-time adoption – mandatory exceptions and optional exemptions

The Consolidated Financial Statements have been prepared in accordance the Ind AS applicable as at 31 March 2019. These accounting and measurement principles have been applied retrospectively to the date of transition to Ind AS and for all periods presented.

However, for certain cases Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Group has made use of the following exemptions and exceptions in preparing its Ind AS opening Consolidated Balance Sheet:

(i) **Classification of Financial assets**

The Group has determined the classification of financial assets in terms of whether they meet the amortized cost criteria or fair value criteria based on the facts and circumstances that existed as on the transition date.

(ii) **Impairment of financial assets**

The Group has applied the impairment requirements of Ind AS 109. As permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort, in order to determine the impairment loss allowance as at transition date.

(iii) **Past business combination**

The Group has elected not to apply Ind AS 103 'Business Combinations' retrospectively on past business combinations that occurred before the transition date.

(iv) **Investments in subsidiaries, joint ventures and associates**

The Group has availed the exemption to continue with the carrying value of all its investments in subsidiaries, joint ventures and associates as per previous GAAP as their deemed cost as at the transition date.

(v) **De-recognition of financial assets and liabilities**

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

(vi) **Estimates**

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with Previous GAAP (after adjustments to reflect any difference in accounting policies). The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

2. Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Leasehold Improvements	Total
Gross Block					
Balance as at 1 April 2017	147.84	93.71	79.66	160.05	481.27
Additions	15.93	17.15	15.61	5.60	54.29
Deductions/Adjustment	12.69	3.31	10.88	-	26.88
As at 31 March 2018	151.09	107.55	84.39	165.65	508.68
Additions	17.85	13.01	29.65	-	60.51
Deductions/Adjustment	30.26	4.98	37.91	-	73.16
As at 31 March 2019	138.67	115.57	76.13	165.65	496.03
Accumulated Depreciation					
As at 1 April 2017	84.81	16.28	37.85	9.32	148.25
Charge for the year	40.73	22.37	24.51	44.20	131.81
Deductions/Adjustment	10.54	0.71	6.55	8.71	26.52
As at 31 March 2018	114.99	37.94	55.80	44.80	253.54
Charge for the year	21.05	18.87	19.59	36.14	95.66
Deductions/Adjustment	27.52	2.13	31.84	-	61.49
As at 31 March 2019	108.53	54.69	43.55	80.94	287.71
Net Block					
As at 1 April 2017	63.03	77.43	41.82	150.74	333.02
As at 31 March 2018	36.09	69.60	28.59	120.85	255.13
As at 31 March 2019	30.14	60.89	32.58	84.71	208.32

Notes:

i) In view of the nature of assets held by the Group and the rate of depreciation charged thereon, no provision for impairment of Property, Plant and Equipment is required.

ii) The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows.

(Rs. in lakh)

Particulars	As at 1 April 2017		
	Gross Block	Accumulated Depreciation	Net Block
Computer Equipments	147.84	84.81	63.03
Furniture and Fixtures	93.71	16.28	77.43
Office Equipments	79.66	37.85	41.82
Leasehold Improvements	160.05	9.32	150.74
	481.27	148.25	333.02

(Rs. in lakh)

Particulars	As at 31 March 2018		
	Gross Block	Accumulated Depreciation	Net Block
Computer Equipments	151.09	114.99	36.09
Furniture and Fixtures	107.55	37.94	69.60
Office Equipments	84.39	55.80	28.59
Leasehold Improvements	165.65	44.80	120.85
	508.68	253.54	255.13

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Notes to the Consolidated Financial Statements

3. Other Intangible assets

(Rs. in lakh)

Particulars	Computer software	Total
Gross Block		
Balance as at 1 April 2017	**31.85**	**31.85**
Additions	-	-
Deductions/Adjustment	-	-
As at 31 March 2018	**31.85**	**31.85**
Additions	0.47	0.47
Deductions/Adjustment	-	-
As at 31 March 2019	**32.32**	**32.32**
Amortisation		
As at 1 April 2017	**7.50**	**7.50**
Charge for the year	10.47	10.47
Deductions/Adjustment	-	-
As at 31 March 2018	**17.97**	**17.97**
Charge for the year	10.49	10.49
Deductions/Adjustment	-	-
As at 31 March 2019	**28.45**	**28.45**
Net Block		
As at 1 April 2017	**24.35**	**24.35**
As at 31 March 2018	**13.88**	**13.88**
As at 31 March 2019	**3.87**	**3.87**

Notes:

i) In view of the nature of assets held by the Group and the amortisation thereon, no provision for impairment of Intangible assets is required.

ii) The information regarding gross block of assets and accumulated amortisation under previous GAAP is as follows:

(Rs. in lakh)

Particulars	As at 1 April 2017		
	Gross Block	Accumulated amortisation	Net Block
Computer software	31.85	7.50	24.35
	31.85	**7.50**	**24.35**

(Rs. in lakh)

Particulars	As at 31 March 2018		
	Gross Block	Accumulated amortisation	Net Block
Computer software	31.85	17.97	13.88
	31.85	**17.97**	**13.88**

4. Loans

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non current			
a) Other Loans (Unsecured, considered good)			
(i) Security deposit (Rent)	83.79	76.99	70.75
(ii) Loans to employees	81.21	75.02	110.50
Total	**164.99**	**152.01**	**181.24**
Current			
a) Loans to related parties (Unsecured, considered good)			
Loans to associates (ITPs) including accrued interest	376.36	235.02	240.65
Total (a)	**376.36**	**235.02**	**240.65**
b) Loans to related parties (Unsecured, credit impaired)			
Loans to associates (ITPs) including accrued interest	338.07	270.42	111.91
Less : Allowances for bad and doubtful loans	(336.06)	(265.21)	(110.20)
Total (b)	**2.00**	**5.21**	**1.71**

An amount of Rs. 154.28 lakh recoverable from the associate "Tanda Transmission Company Limited" has been written off in the current year from the books with due approval from the board.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
c) Other Loans (Unsecured, considered good)			
(i) Security deposit (Rent)	36.65	33.78	5.62
(ii) Loans to employees	27.69	26.39	37.24
Total (c)	**64.34**	**60.17**	**42.87**
Total (a+b+c)	**442.71**	**300.40**	**285.23**

Notes-

i) For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 36 - "Financial instruments"

ii) The Company has categorised all loans at amortised cost only in accordance with the requirements of Ind AS 109.

iii) Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.

iv) **Loans in the case of ITP's:**

The following amounts are due from ITP's which are associates of the company.

(Rs. in lakh)

Particulars	Amount
Loans – Considered Good	378.36
Loans – Considered doubtful	336.06
Total	714.42

The ITP's are generally sold to bidders between a period of 12 to 18 months. However, sometimes the ITP's are also denotified by the Ministry of Power and the loss is absorbed by the Company. During the last five years, 5 ITP's have been denotified resulting in a loss of Rs. 499.12 lakhs. The loss is accounted for in the year in which ITP is denotified and hence no provision for expected credit loss is considered necessary.

5. Other financial assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non current			
(a) Other bank balances			
Deposits with maturity of more than 12 months including accrued interest *	423.61	9836.79	14847.78
Total	**423.61**	**9836.79**	**14847.78**

* includes Rs. 413.62 lakh (31 March 2018 Rs. Nil, 1 April 2017 Rs. 27 lakh) held as margin money against the bank guarantee issued to
- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 36 - "Financial instruments".

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Advances (Unsecured, considered good)			
Advances to supplier/contractors	128.12	124.34	142.24
Total (a)	128.12	124.34	142.24
(b) Advances (Unsecured, credit impaired)			
Advances to supplier/contractors	9.15	8.90	0.79
Impairment allowance for doubtful advances	(9.15)	(8.90)	(0.79)
Total (b)	-	-	-
(c) Others (Unsecured, considered good)			
Amount receivable from Power Finance Corporation Limited	99.88	650.18	106.68
Amount receivable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest**	948.33	0.00	0.00
Total (c)	1048.21	650.18	106.68
Total (a+b+c)	**1176.33**	**774.52**	**248.92**

** Amount receivable of Rs. 948.33 lakh is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. In the earlier years, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 it has been decided that this amount will be paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has been exhausted in some UMPPs. During the year interest amounting to Rs.26.98 lakh has been charged on these receivables. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the receivables from UMPPs and the provision for expected credit loss is not required.

6. Deferred Tax Assets (net)

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax assets in relation to:			
Property, plant and equipment and other intangible assets	38.86	24.01	8.14
Provisions for bad and doubtful trade receivables	362.44	359.28	306.66
Provision for impairment in the value of investments	4.66	4.37	3.46
Provision for rent equalisation	17.44	11.12	5.71
Provision for employee benefits	22.88	107.57	32.03
Deferred tax assets (net)	**446.27**	**506.34**	**355.99**

The following is the analysis of deferred tax assets presented in the balance sheet:

(Rs. in lakh)

Particulars	As at 1 April 2018	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2019
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2018-19				
Property, plant and equipment and other intangible assets	24.01	14.84	-	38.86
Provisions for bad and doubtful trade receivables	359.28	3.16	-	362.44
Provision for impairment in the value of investments	4.37	0.29	-	4.66
Provision for rent equalisation	11.12	6.32	-	17.44
Provision for employee benefits	107.57	(84.69)	-	22.88
Total	**506.34**	**(60.08)**	-	**446.27**

(Rs. in lakh)

Particulars	As at 1 April 2017	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2018
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2017-18				
Property, plant and equipment and other intangible assets	8.14	15.88	-	24.01
Provisions for bad and doubtful trade receivables	306.66	52.61	-	359.28
Provision for impairment in the value of investments	3.46	0.91	-	4.37
Provision for rent equalisation	5.71	5.41	-	11.12
Provision for employee benefits	32.03	75.54	-	107.57
Total	**355.99**	**150.36**	-	**506.34**

7. Other non- current assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unamortised employee cost	114.17	60.21	28.97
Unamortised security deposit (Rent)	7.56	14.46	21.36
Shortage in fixed assets pending investigation	1.00	-	-
Less : Provision for loss of shortage in fixed assets	(1.00)	-	-
Total	**121.73**	**74.66**	**50.33**

8. Investments

(Rs. In lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unquoted Equity Instruments - Current(fully paid up-unless otherwise stated, at cost)					
Associate Companies					
Goa- Tamnar Transmission Limited	10000 shares of Rs. 10 each	100%	-	-	0.81
Fatehgarh-Bhadla Transmission Limited	10000 shares of Rs. 10 each	100%	-	-	0.80
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs. 10 each	100%	0.81	0.81	0.81
Vapi II-North Lakhimpur Transmission Limited	10000 shares of Rs. 10 each	100%	0.88	-	-
Bhuj-II Transmission Limited	10000 shares of Rs. 10 each	100%	0.87	-	-
Fatehgarh-II Transco Limited	10000 shares of Rs. 10 each	100%	0.87	-	-
Bikaner Khetri Transmission Limited	10000 shares of Rs. 10 each	100%	0.87	-	-
Total			4.29	0.81	2.41
Associates under striking off					
Ballabhgarh-GN Transmission Company Limited	50000 shares of Rs. 10 each	100%	-	-	-
Mohindergarh-Bhiwani Transmission Limited	50000 shares of Rs. 10 each	100%	-	-	-
South Central East Delhi Power Transmission Limited	50000 shares of Rs. 10 each	100%	-	-	-
Tanda Transmission Company Limited	50000 shares of Rs. 10 each	100%	0.01	4.71	4.71
Less : Impairment Allowance			(0.01)	(4.71)	-
Shongtong Karcham-Wangtoo Transmission Limited	10000 shares of Rs. 10 each	100%	0.81	0.81	0.81
Less : Impairment Allowance			(0.81)	-	-
Sub total (a)			-	0.81	5.52
Total investment carrying value			4.29	1.61	7.93
Aggregate amount of unquoted investments			5.11	6.32	7.93
Aggregate amount of impairment in the value of unquoted investments			(0.82)	(4.71)	-

Notes:

i) Four associates namely Ballabhgarh-GN Transmission Company Limited, Mohindergarh-Bhiwani Transmission Limited, Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been de-notified by Ministry of Power (MoP) and in respect of one associate namely South Central East Delhi Power Transmission Limited, the Government of Delhi has advised the company not to proceed further in the concerned project. These companies are required to be wound up. Therefore, the Company has created provision for the expenditure incurred on these companies to the extent not considered recoverable and realisable value of investment in equity shares were considered as Rs. Nil.

ii) The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company has incorporated wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).

iii) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

iv) The ITP - Lakadia-Vadodara Transmission Project Limited was incorporated on 15 March 2019 and the Company has subscribed for 100% equity in it. However, the shares were allotted to the Company in April 2019, hence the same is not presented in the investment schedule.

9. Trade Receivables

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
Trade Receivables considered good - Unsecured	2,964.59	786.36	414.57
Trade Receivables - credit impaired	908.57	959.44	773.35
Less: Allowance for bad and doubtful trade receivables	(908.57)	(959.44)	(773.35)
Total	2,964.59	786.36	414.57

Notes:

i) Expected Credit loss is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years. Refer note 36 - Financial Instruments

ii) Trade receivables include Rs. 1520.22 lakh (Rs. Nil as at 31 March 2018 and 1 April 2017) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC. In the earlier years, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 it has been decided that this amount will be paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has exhausted in some UMPPs. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the Group will be recovered from UMPP's, there is no impairment in the amount receivable from UMPPs and the provision for expected credit loss is not required.

10. Cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Balances with banks			
- Current accounts (including accrued interest of autosweep deposits)	1,732.80	1,962.58	2,459.63
(b) Deposits with banks with maturity upto 3 months (including accrued interest)	1,722.57	1,927.00	900.68
Total	3,455.37	3,889.58	3,360.31

11. Bank balances other than cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest)	2,675.40	6,188.47	8,074.23
Total	2,675.40	6,188.47	8,074.23

12. Income tax assets (Net)

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance income tax / tax deducted at source (TDS)	1,387.94	1,960.21	3,735.35
Less. Provision for Income Tax	(974.45)	(1,763.23)	(3,458.96)
Total	**413.48**	**196.99**	**276.39**

13. Other current assets

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured, considered good			
(a) Cenvat credit receivable	-	5.42	92.17
(b) Prepaid expenses	-	1.77	8.78
(c) Advance to contractors/ suppliers	143.30	201.79	234.93
(d) Unamortised employee cost	29.15	15.76	7.56
(e) Unamortised Security Deposit (Rent)	6.90	6.90	6.90
Total	**179.35**	**231.64**	**350.34**

14. Equity share capital

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Authorised share capital:			
11,00,000 (31 March 2018: 11,00,000 1 April 2017: 11,00,000) equity shares of Rs.10 each	110.00	110.00	110.00
Issued, subscribed and fully paid up shares :			
52,246 (31 March 2018: 52,246 1 April 2017: 50,000) equity shares of Rs.10 each	5.22	5.22	5.00
Effect of Business Combination with PFC Capital Advisory Services Limited	-	-	0.22
Total	5.22	5.22	5.22

a) The Company has only one class of equity shares having a par value Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

b) Reconciliation of the shares outstanding at the beginning and at the end of the financial year

(Rs. in lakh)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Opening balance	52,246	5.22	52,246	5.22
Issued during the year	-	-	-	-
Closing balance	52,246	5.22	52,246	5.22

c) Shares held by holding company

(Rs. in lakh)

Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	Amount	No. of shares held	Amount	No. of shares held	Amount
Power Finance Corporation Limited, the Holding Company *	52,246	5.22	52,246	5.22	52,246	5.22

d) Details of shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Power Finance Corporation Limited, the Holding Compan	52,246	100%	52,246	100%	52,246	100%

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

e) Aggregate number and class of shares allotted as fully paid up without payment being received in cash.
During the financial year 2018-19, pursuant to amalgamation of PFC Capital Advisory Limited (PFCCAS) with the Company, 2246 shares were issued to the shareholder of PFCCAS. (refer note: 30)

15. Other equity **(Rs. in lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Reserve and Surplus			
(a) Capital Reserve (Note i)	9.78	9.78	9.78
(b) Retained earnings (Note ii and 15.1)	9,158.73	19,816.84	25,303.66
Total	**9,168.51**	**19,826.61**	**25,313.43**

Notes:

i Capital reserve: During amalgamation, the excess of net assets taken, over the cost of consideration paid has been treated as capital reserve.

ii Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Rs. in lakh)

15.1. Retained Earnings	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	19,816.84	25,303.66
Profit for the year	2,199.19	2,689.07
Payment of final dividends	(665.00)	(1,793.00)
Tax on final dividends	(136.69)	(365.01)
Payment of interim dividends	(10,000.00)	(5,000.00)
Tax on interim dividends	(2,055.60)	(1,017.88)
Balance at the end of the year	**9,158.73**	**19,816.84**

16. Other non-current liabilities **(Rs. in lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Rent equalisation	59.89	38.19	16.49
Total	**59.89**	**38.19**	**16.49**

17. Trade payables

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
Total outstanding dues of micro enterprises and small enterprises; and	-	-	0.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	762.13	355.87	308.14
Total	**762.13**	**355.87**	**308.35**

The Group pays its vendors immediately when the invoice is accounted and no interest during the year has been paid or is payable. (refer note no. 35 for disclosure made under terms of the Micro, Small and Medium Enterprises Development Act, 2006).

the Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. Other financial liabilities

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Security deposit	6.35	8.16	35.85
(b) Payable to successful developer (ITPs)	11.88	38.23	90.64
(c) Amount received for short term bidding of power (e-DEI	2,007.46	1,669.88	2,549.59
(d) Other payables	10.53	51.70	170.73
Total	**2,036.22**	**1,767.96**	**2,846.81**

* The Group has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines, every bidder is required to deposit with the Group the requisite fees of Rs. 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful Bidder(s) will have to pay the fees to the Group for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

19. Other current liabilities

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Statutory dues payable	336.23	619.08	90.98
(b) Advance from clients	54.00	60.00	54.00
Total	**390.23**	**679.08**	**144.98**

20. Provisions

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current			
(a) Provision for employee bonus	252.68	337.25	94.74
(b) Provision for employee pay revision	5.41	198.22	88.84
Total	**258.09**	**535.47**	**183.58**

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
Notes to the Consolidated Financial Statements

21. Revenue from operations

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of services:		
Consultancy	5,653.49	6,031.13
Other operating revenue:		
-Sale of Request for Qualification (RFQ)	58.00	3.00
-Processing fee	5.79	11.06
-Tender fee	40.00	-
Total	**5,757.28**	**6,045.19**

22. Other Income

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from financial assets at amortised cost		
-On bank deposits	1,070.80	1,656.62
-On loan to associate companies	13.19	31.30
-On recievables from associate companies of holding company	26.98	-
Unwinding of discount on employees loans	20.39	19.00
Unwinding of discount on security deposit	6.80	6.24
Gain on sale/transfer of assets	0.10	-
Miscellaneous Income	0.14	0.34
Other non-operating income:		
Provisions written back		
- for expenses	9.10	8.92
- for doubtful debts and advances*	112.63	205.62
Total	**1,260.12**	**1,928.04**

* includes amount due from Bihar State Electricity Board of Rs. 103.93 lakh and Ideal Energy Projects Limited of Rs. 8.70 lakh provided as doubtful debts in the earlier years realised during the year or subsequently

23. Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sub consultancy charges	1,014.03	656.81
Advertisement expenses	15.02	0.52
Others	4.02	-
Total	**1,033.06**	**657.33**

24. Employee benefits expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	955.35	1,078.55
Contribution to provident and other funds	137.24	201.41
Staff welfare expenses	69.17	55.24
Deferred employee benefits written off	32.21	12.70
Total	**1,193.97**	**1,347.90**

Notes:

a) Employees of the Group are on secondment from PFCL and NTPC. Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with these companies. As per the agreement, amount equivalent to a fixed percentage of Basic Pay and DA of the seconded employees is payable by the Group 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.

b) The Employee benefits include Rs 111.09 lakh (previous year Rs. 85.88 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits.

25. Depreciation and amortisation expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
On property, plant and equipment - Note 2	95.66	123.73
On Intangible assets-Note 3	10.49	10.47
Total	**106.14**	**134.20**

26. Other expenses **(Rs. in lakh)**

Particulars		For the year ended 31 March 2019		For the year ended 31 March 2018
Payments to auditor:				
As Auditor		3.75		3.75
Tax audit fee		0.81		0.81
GST Audit fee*		1.62		-
Advertisement expenses		33.75		3.62
Assets written off		4.52		0.27
Corporate Social Responsibility Expenses		133.04		123.54
Electricity and water charges		18.18		17.90
Entertainment expenses		13.51		5.21
Insurance		0.09		0.73
Interest paid on TDS and Income tax		-		14.48
Legal and professional expenses		37.80		15.36
Meeting expenses		6.88		5.33
Miscellaneous expenses		4.56		8.50
Office maintenance expenses		59.62		50.67
Office rent		408.04		412.45
Outsourcing expenses		331.07		143.37
Printing and stationery		5.01		5.04
Rates and taxes (including house tax and ground rent)		-		1.52
Telephone expenses		10.47		10.67
Training expenses		41.56		24.64
Travelling and conveyance		110.21		94.89
Vehicle hiring and running expenses		6.51		13.75
Bad debts written off	154.28	-	-	-
Less: Provision for doubtful debts made in earlier years	-154.28	-	-	-
Allowances for doubtful debts and advances		287.02		555.38
Impairment in value of investment		0.81		4.71
Provision for loss of shortage in fixed assets		-		1.00
Total		**1,518.81**		**1,517.59**

* GST Audit fee includes Rs.0.81 lakh for the previous year.

27. Disclosure as per Ind AS 33 "Earnings per Share"

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit after tax used as numerator	2,199.19	2,689.07
Weighted average number of Equity shares used as denominator (basic and diluted)	52,246	52,246
Earning per equity share, face value Rs. 10 each (basic and diluted) (in Rs.)	4,209.30	5,146.95

28. Segment information

The Company is engaged in providing consultancy services to power sector including development of Integrated Transmission Projects (ITP) taken up as per the directions from the Ministry of Power, Government of India. Company has operations in India only. Hence, the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

28.1. Information about major customers

The following customers contributed 10% or more to Company's revenue:

(Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Fatehgarh-Bhadla Transmission Ltd.	-	658.00
Orissa Integrated Power Limited	695.78	668.38
West Bengal State Electricity Distribution Co. Ltd.	837.47	932.15
Goa-Tamnar Transmission Project Ltd	-	1,658.49
	1,533.26	3,917.02

- No other single customer contributed 10% or more to the company's revenue for both 2018-19 and 2017-18.

29. Tax Expense (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	974.48	1,763.23
Income tax adjustment for earlier years	(68.85)	14.66
	905.63	1,777.89
Deferred tax		
In respect of the current year (refer note 6)	60.08	(150.36)
	60.08	(150.36)
Total tax expense recognised in the Statement of profit and loss	965.71	1,627.53

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	3,164.90	4,316.60
Applicable Tax Rate	29.12%	34.61%
Calculated income tax expense	921.62	1,493.89
Tax effect of :		
Non-deductible expenses	50.13	52.83
Income not taxable	(7.92)	(8.74)
Adjustment on account of differential tax rate	-	90.34
Others	1.88	(0.79)
Income tax expense recognised in profit or loss	965.71	1,627.53

30. Business Combination

Pursuant to the order of Ministry of Corporate Affairs dated 30 Jan 2019 relating to amalgamation of PFC Capital Advisory Services Limited (PFCCAS) (transferor company), wholly owned subsidiary of the Power Finance Corporation Limited, has been amalgamated with the PFC Consulting Limited (Transferee company) w.e.f. 01 Apr 2018. It has been evaluated as a Business Combination under common control and has been accounted as per Appendix C to Ind AS 103 'Business Combinations' using pooling of interest method. Accordingly, the opening Balance Sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 have been restated wherever required.

Details of the above business combination :

i) The entire business undertaking of the Transferor Company including all assets and liabilities, as a going concern, stands transferred to in the Company with effect from 1 April 2018 being the appointed date of the amalgamation.

ii) The Transferor Company which was engaged in the business of debt syndication services for power sector have been dissolved without being wound up.

iii) In consideration of the amalgamation, the Company has issued 2246 equity shares of Rs. 10 each aggregating to Rs. 0.22 lakh in the ratio of .02246 fully paid up Equity Shares of the face value of Rs. 10/- each of the Company for every 1 fully paid-up equity shares of Rs. 10/- each held in PFCCAS.

iv) Issued share capital of the Company being increased from Rs. 5.00 lakhs to Rs. 5.22 lakhs. Further, pursuant to the Scheme, the authorized share capital of the Company stands increased to Rs. 110 lakhs.

v) The amalgamation has been accounted for under the "Pooling of Interest Method" in accordance with Ind AS 103 Appendix C on Business Combination under common control. Accordingly, all the assets and liabilities of the Transferor Company have been taken at their respective book values as appearing in the books of the Transferor Company. Furthermore, pursuant to the scheme, Rs. 9.78 lakhs, being the difference between the net assets of the transferor company and the purchase consideration (shares of Rs. 0.22 lakhs) issued by the company has been accounted for as Capital reserve of the company.

Refer Note 37 for the effect of adjustment of amalgamation

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31. **Related Party Disclosures**

31.1 **Name of related parties and description of relationship:**

Holding Company			
1	Power Finance Corporation Limited (PFCL)		
Fellow Subsidiary			
1	REC Limited (RECL)	2	REC Power Distribution Company Ltd (through RECL)
3	REC Transmission Projects Company Limited (through RECL)	4	Power Equity Capital Advisors (Pvt) Limited (PECAP)
Associate Company			
1	Ballabhgarh-GN Transmission Company Limited	2	Shongtong Karcham-Wangtoo Transmission Limited
3	Mohindergarh-Bhiwani Transmission Limited	4	Tanda Transmission Company Limited
5	South-Central East Delhi Power Transmission Limited	6	Bijawar-Vidarbha Transmission Limited
7	Bikaner-Khetri Transmission Limited (incorporated on 22.02.2019)	8	Bhuj-II Transmission Limited (incorporated on 25.02.2019)
9	Fatehgarh-II Transco Limited (incorporated on 26.02.2019)	10	Lakadia-Vadodara Transmission Project Limited (incorporated on 15.03.2019)
11	Vapi II North Lakhimpur Transmission Limited		
Associate of Holding Company			
1	Coastal Maharashtra Mega Power Limited (through PFCL)	2	Sakhigopal Integrated Power Company Limited (through PFCL)
3	Orissa Integrated Power Limited (through PFCL)	4	Ghogarpalli Integrated Power Company Limited (through PFCL)
5	Coastal Karnataka Power Limited (through PFCL)	6	Tatiya Andhra Mega Power Limited (through PFCL)
7	Coastal Tamil Nadu Power Limited (through PFCL)	8	Deoghar Mega Power Limited (through PFCL)
9	Chhattisgarh Surguja Power Limited (through PFCL)	10	Cheyyur Infra Limited (through PFCL)
11	Deoghar Infra Limited (through PFCL)	12	Odisha Infrapower Limited (through PFCL)
13	Bihar Infrapower Limited (through PFCL)	14	Bihar Mega Power Limited (through PFCL)
15	Jharkhand Infrapower Limited (through PFCL)	16	Dinchang Transmission Limited (through RECL)
17	Mandar Transmission Limited (through RECL)	18	Chandil Transmission Limited (through RECL)
19	Bhind-Guna Transmission Limited (through RECL)	20	Dumka Transmission Limited (through RECL)
21	Jam Khambaliya Transco Limited (through RECL)	22	Jawaharpur-Firozabad Transmission Limited (through RECL)
23	Ajmer Phagi Transco Limited (through RECL)	24	Udupi Kasargode Transmission Limited (through RECL)
25	WRSS XXI (A) Transco Limited (through RECL)	26	Khetri Transco Limited (through RECL)
27	Lakadia Banaskantha Transco Limited (through RECL)	28	Ghatampur Transmission Limited (through RECL)
29	Koderma Transmission Limited (through RECL)		
Joint Venture			
1	Energy Efficiency Services Limited (through PFCL)		

Key Managerial Persons (KMP)		
S. No.	**Name**	**Designation**
1	Shri. Rajeev Sharma (Since 1-Oct-16)	Chairman
2	Shri. D. Ravi (upto 31-May-18)	Director
3	Shri. C. Gangopadhyay (Since 25-Jan-15)	Director
4	Shri P.K. Singh (since 17-Sep-2018)	Director
5	Shri N.B. Gupta (since 24-Aug-2017)	Director
6	Shri Subir Mulchandani* (upto 9 Oct -18)	Chief Executive Officer
7	Shri Yogesh Juneja (since 10-Oct-18)	Chief Executive Officer
8	Shri Manish Kumar Agrawal	Company Secretary

Entities under the control of same government			
1	NTPC Vidyut Vyapar Nigam Limited	2	MSTC Limited
3	NHPC Limited	4	Coal India Limited
5	Mecon Limited		

31.2. Details of transactions:

31.2.1. Transactions with Holding Company and its Associates (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manpower Charges	1,640.55	1,540.37
Amount receivable for reimbursement of expenses	960.39	1,464.00
Interest Income on Receivables from UMPPs	26.98	-

31.2.2. Transactions with Associates (Rs. in lakh)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manpower Charges	320.03	358.76
Loans granted	276.24	166.48
Interest Earned	13.19	31.30
Consultancy Income on transfer of ITP to successful Bidder	421.61	2,075.00

31.2.3. Transactions with entities under the control of same government (Rs. in lakh)

Name of related party	Nature of transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
NTPC Vidyut Vyapar Nigam Limited	Short Term Bidding Fees	9.95	40.65
MSTC Limited	Short Term Bidding Fees	1.89	5.30
NHPC Limited	Pilot Scheme Fees	200.00	-
Coal India Ltd.	Consultancy Income	-	33.50
Mecon	Consultancy Income	-	25.00
MSTC Limited	Consultancy Expense	117.00	110.00

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed

31.2.4. Compensation of key management personnel:

The Key Managerial personnel (KMP) of the Company are employees of the Power Finance Corporation Limited deployed on part time basis except C.E.O. and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Managerial remuneration paid to KMP is Rs. 129.58 lakh (Previous Year Rs. 66.69 lakh).

31.3. Details of outstanding balances:

31.3.1. Outstanding balances with group companies (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amount receivable including interest accrued			
- From holding company and its associates	2,431.22	650.18	106.68
- From associates	378.61	240.23	242.36

31.3.2. Outstanding balances with entities under the control of same government (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Mecon	-	2.14	2.14

Notes.

i) Transactions with the related parties are made on normal commercial terms and conditions and at arm's length

ii) Consultancy services provided by the Company to its associates are generally at the terms, conditions and principles applicable for consultancy services provided to other parties

32. Contingent Liabilities

(Rs. in lakh)

S. No.	Description	As at 31-Mar-19	As at 31-Mar-18	As at 01-Apr-17
(a)	Bank Guarantee issued (against 100% margin)	409.62	-	27.00

33. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (as at 31-Mar-18 - Rs. Nil and as at 1-Apr-17 - Rs Nil).

34. Obligations under operating leases:

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and for residential use of employees. There are no purchase options in the lease agreements. The lease agreements for premises for residential use of employees are for a period of one to two year and are generally cancellable on mutual consent of both the lessor and the lessee. The lease agreement for the office premises taken by the company during the year are generally cancellable on mutual consent of both the lessor and the lessee. Lease payments in respect of premises for offices Rs. 408.04 lakh (previous year Rs. 412.45 lakh are shown as 'Office Rent' in Note 26- Other Expenses (including lease equalisation expense Rs. 21.70 lakh (previous year Rs. 21.70 lakh) and in respect of Premises for residential use of employees Rs. 21.40 lakh (previous year Rs.36.17 lakh) towards lease payments, net of recoveries are included in Salary and Allowances in Note 24 – Employee Benefit Expenses

35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (Based on the available information with the company) :

(Rs. in lakh)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i)	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	-	-	0.21
	- Interest due on above	-	-	-
(ii)	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	-	-	-
(iii)	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	-	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
(v)	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	-	-	-

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36. Financial Instruments

36.1. Capital Management
The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The funding requirements are met through equity and operating cash flows generated.

36.2. Categories of financial instruments

Financial assets and liabilities (Rs. in lakh)

Particulars	Note	As At 31 March 2019	As At 31 March 2018	As At 1 April 2017
Financial assets measured at amortised cost				
Cash and cash equivalents	10	3,455.37	3,889.58	3,360.31
Other Bank Balances	11	2,675.40	6,188.47	8,074.23
Trade receivables	9	2,964.59	786.36	414.57
Loans	4	607.70	452.41	466.47
Other financial assets	5	1,599.93	10,611.31	15,096.70
Total		**11,302.99**	**21,928.13**	**27,412.27**
Financial liabilities measured at amortised cost				
Trade payables	17	762.13	355.87	299.89
Other Financial Liabilities	18	2,036.22	1,767.96	2,846.81
Total		**2,798.35**	**2,123.83**	**3,146.70**

- Refer Accounting Policy No. 1.3 (xiv) on financial instruments.

36.3. Financial Risk Management
The Company's financial liabilities comprise of trade payables and other payables. The Company's financial assets comprise of cash and cash equivalents, other bank balances, loan to associates (ITPs), trade receivables and other financial assets. For managing these risks, the Company ensure that these risks are monitored carefully and managed efficiently. These risks include market risk, credit risk and liquidity risk.

The following disclosures summarize the Company's exposure to financial risks along with the Company's polices and processes for measuring and managing each of above risks.

A. Liquidity Risk
Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Company considers both normal and stressed conditions.
The Company maintained a cautious liquidity strategy, with sufficient cash balance throughout the year ended 31 March 2019 and 31 March 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

B. Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign Currency Risk
The company has no exposure to the changes in the rates of foreign currency exchange rates as the company do not have any transactions from the international market and all the activities of the company are limited to India only.

ii) Interest Rate Risk
The company's interest income is majorly derived from terms deposits, loan to associates and amount receivable from associates of Holding Company. The term deposits are invested at fixed market interest rate and hence these are not exposed to change in interest rates. Further loans/amount receivable from associates and associates of Holding company are current and are recoverable within a year. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits, loan to associates and amount receivable from associates of Holding Company.

iii) Equity Price Risk
The company is not exposed to equity price risk as company has equity investment only in its associates (ITPs) which are not tradable in the market.

C. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company primarily provides consultancy services to customers comprising, mainly state electricity boards owned by state government and other government owned enterprises. The risk of default in case of these state owned companies is considered to be insignificant. A default occurs when in the view of Company there is no significant possibility of recovery of receivables after considering all available options for recovery. However, All trade receivables are reviewed and assessed for default on a yearly basis and allowances for expected credit loss provided for, if any.

i) **Trade Receivables**

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base comprises, mainly state electricity boards owned by state governments and other government owned enterprises. Company's historical experience of collecting receivables is that credit risk is low.

Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties. ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

(I) Ageing analysis of Trade receivables is as follows :

(Rs. in lakh)

Particulars	0 to 1 year	1 to 2 year	More than 2 years	Total
Gross carrying amount as at 31 March 2019	2,961.37	6.45	905.34	3,873.16
Gross carrying amount as at 31 March 2018	730.70	111.31	903.79	1,745.80
Gross carrying amount as at 01 April 2017	388.06	53.02	746.84	1,187.91

(II) Movement in the expected credit loss allowance

(Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	959.44	773.35
-Impairment allowance reversal	112.52	205.62
-Impairment losses recognised	61.64	391.72
Balance at the end of the year	**908.57**	**959.44**

ii) **Loans**

The Company has given loans to employees and associates. Loans to the employees have been given in line with the policies of the Company. Loan to associates are interest bearing loans given by way of allocation of expenditure and charging of manpower cost. The loan provided to employees and related companies are collectible in full and risk of default is negligible. However, 100% impairment loss is provided for the loan to associates wherein the project underlying the company is de-notified by the Ministry of Power

iii) **Cash and cash equivalents**

The Company held cash and cash equivalents of Rs. 3455.37 lakh (as at 31 March 2018: Rs. 3889.58 lakh and as at 1 April 2017: Rs.3360.31 lakh). The cash and cash equivalents are held with banks with high rating and hence risk of default is negligible.

iv) **Deposits with banks**

The Company held deposits with banks of Rs. 3099 lakh (as at 31 March 2018: Rs. 16025.26 lakh and as at 1 April 2017: Rs. 22922 lakh). In order to manage the risk, Company places deposits with only high rated banks.

36.4. Fair value hierarchy

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note: The Company does not have the financial assets and financial liabilities that are measured at fair value on a recurring basis.

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37 Reconciliations for First Time Adoption of Ind AS

A. Effect of Ind AS adoption on the balance sheet as at 31 March 2018 and 01 April 2017

(Rs. in lakh)

S. No.	Particulars	Note No.	As at 31 March 2018				As at 01 April 2017			
			Previous GAAP*	Adjustment due to merger**	Effect of transition to Ind AS	Ind-AS	Previous GAAP*	Adjustment due to merger**	Effect of transition to Ind AS	Ind-AS
	ASSETS									
	Non-current assets									
	Property, plant and equipment		255.13	-	-	255.13	324.75	0.19	8.08	333.02
	Other intangible assets		13.88	-	-	13.88	24.35	-	-	24.35
	Financial assets									
	Loans	(i,ii)	208.96	-	(56.95)	152.01	225.95	-	(44.71)	181.24
	Other financial assets		9,321.06	515.74	-	9,836.79	14,675.44	172.35	-	14,847.78
	Deferred tax assets	(iv)	385.60	0.06	120.68	506.34	347.71	0.22	8.05	355.99
	Other non-current assets	(i,ii)	-	-	74.66	74.66	-	-	50.33	50.33
	Sub-Total (1)		**10,184.64**	**515.80**	**138.39**	**10,838.83**	**15,598.21**	**172.76**	**21.75**	**15,792.71**
	Current assets									
	Financial assets									
	Investments		2.00	-	(0.39)	1.61	9.00	-	(1.07)	7.93
	Trade receivables		1,200.77	-	(414.41)	786.36	437.84	-	(23.27)	414.57
	Cash and cash equivalents	(iii)	3,889.01	0.57	-	3,889.58	3,225.89	134.42	-	3,360.31
	Other bank balances		5,845.14	343.33	-	6,188.47	7,560.03	514.20	-	8,074.23
	Loans	(i,ii)	336.14	-	(35.74)	300.40	306.32	-	(21.09)	285.23
	Other financial assets		774.35	0.17	-	774.52	248.30	0.62	-	248.92
	Current tax assets (net)		196.44	0.55	-	196.99	273.58	2.81	-	276.39
	Other current assets	(i,ii)	203.56	5.42	22.66	231.64	330.52	5.36	14.46	350.34
	Sub-Total (2)		**12,447.41**	**350.04**	**(427.88)**	**12,369.57**	**12,391.47**	**657.41**	**(30.97)**	**13,017.91**
	Total assets (1+2)		**22,632.04**	**865.84**	**(289.49)**	**23,208.40**	**27,989.67**	**830.16**	**(9.22)**	**28,810.62**
	EQUITY AND LIABILITIES									
	Equity share capital		5.00	0.22	-	5.22	5.00	0.22	-	5.22
	Other equity	(v)	19,251.31	864.79	(289.49)	19,826.61	24,593.72	826.46	(106.75)	25,313.43
	Sub-Total (3)		**19,256.31**	**865.01**	**(289.49)**	**19,831.84**	**24,598.72**	**826.69**	**(106.75)**	**25,318.66**
	Liabilities									
	Non-current liabilities		-	-	-	-	-	-	-	-
	Other non-current liabilities		38.19	-	-	38.19	16.49	-	-	16.49
	Sub-Total (4)		**38.19**	**-**	**-**	**38.19**	**16.49**	**-**	**-**	**16.49**
	Current liabilities									
	Financial liabilities									
	Trade payables									
	(A) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	0.21	-	-	0.21
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		355.87	-	-	355.87	299.89	-	-	299.89
	Other financial liabilities		1,767.42	0.55	-	1,767.96	2,836.03	0.99	9.79	2,846.81
	Other current liabilities		679.04	0.03	-	679.08	144.87	0.11	-	144.98
	Provisions		535.22	0.25	-	535.47	93.46	2.38	87.74	183.58
	Sub-Total (5)		**3,337.54**	**0.83**	**-**	**3,338.37**	**3,374.46**	**3.48**	**97.53**	**3,475.47**
	Total equity and liabilities (3+4+5)		**22,632.04**	**865.84**	**(289.49)**	**23,208.40**	**27,989.67**	**830.16**	**(9.22)**	**28,810.62**

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs

Notes :

(i) Security Deposits (Rental deposits)
Under the previous GAAP, interest free refundable security deposits were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has measured these security deposits at amortised cost under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unamortised security deposit (rent).

(ii) Loans to Employees
Under previous GAAP, employee loans to be settled in cash or another financial asset were recorded at cost. Under Ind AS 32, Employee Loans are required to be measured at amortized cost. Thus as the interest rate on such financial assets is lower than market rate, these financial assets have been discounted to present value. Difference between the fair value and transaction value of the employee loans has been recognised as unamortised employee cost

(iii) Others
Cash and cash equivalents, other bank balances and dividend distribution tax have been reclassified as per the presentation/disclosure requirements of Ind AS and division II of Schedule III of Companies Act, 2013. There is no impact on the total equity or profit as a result of these classifications.

(iv) Deferred Tax
Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base

(v) Retained Earnings
Retained earnings as at 1 April 2017 has been adjusted consequent to the above Ind AS transition adjustments.

** Refer Note 30 for details of Business Combination

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B. Effect of Ind AS adoption on Consolidated Statement of Profit and Loss for the year ended 31 March 2018 (Rs. in lakh)

S. No.	Particulars	Note No.	Previous GAAP*	Adjustment due to merger	Effect of transition to Ind	Ind-AS
	Income					
I.	Revenue from operations		6,045.19	-	-	6,045.19
II.	Other income	(i,ii)	1,841.72	61.08	25.24	1,928.04
III.	**Total Income (I+II)**		7,886.91	61.08	25.24	7,973.23
IV.	**Expenses**					
	Consultancy Service Expense		657.33	-	-	657.33
	Employee benefits expense	(ii)	1,335.20	-	12.70	1,347.90
	Finance cost		-	-	-	-
	Depreciation and amortisation expense		134.20	-	-	134.20
	Other expenses	(i)	1,113.88	4.85	398.86	1,517.59
	Prior Period Items (net)	(iii)	90.56	-	(90.56)	-
	Total Expenses (IV)		3,331.17	4.85	321.00	3,657.02
V.	**Profit before share of profit/(loss) of associates**		4,555.74	56.23	(295.75)	4,316.21
VI.	Share of profit/(loss) of associates		-	-	0.39	0.39
VII.	**Profit/(loss) before tax (V-VI)**		4,555.74	56.23	(295.36)	4,316.60
VIII.	**Tax expense:**					
	Current tax		1,748.44	14.79	-	1,763.23
	Income tax adjustment for earlier years		11.71	2.95	-	14.66
	Deferred tax	(iv)	(37.89)	0.16	(112.62)	(150.36)
	Total Tax Expense (VIII)		1,722.25	17.90	(112.62)	1,627.53
IX.	**Profit/(loss) for the period (VII-VIII)**		2,833.48	38.33	(182.74)	2,689.07
X.	**Other Comprehensive Income**		-	-	-	-
XI.	**Total Comprehensive Income for the period (IX+X)**		2,833.48	38.33	(182.74)	2,689.07

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Note :

(i) Security Deposits (Rental deposits)

Under the previous GAAP, interest free refundable security deposits were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has measured these security deposits at amortised cost under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unamortised security deposit (rent).

(ii) Loans to Employees

Under previous GAAP, employee loans to be settled in cash or another financial asset were recorded at cost. Under Ind AS 32, Employee Loans are required to be measured at amortized cost. Thus as the interest rate on such financial assets is lower than market rate, these financial assets have been discounted to present value. Difference between the fair value and transaction value of the employee loans has been recognised as unamortised employee cost.

(iii) This represents adjustment of prior period items shown under previous GAAP in the relevant year as per Ind AS.

(iv) Deferred Tax

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

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C. Reconciliation of equity as previously reported under Indian GAAP to Ind-AS (Rs. in lakh)

Particulars	As at 31 March 2018	As at 1 April 2017
Other Equity as reported under previous GAAP*	**19251.31**	**24593.72**
Impact of Merger on Other Equity	864.79	826.46
Effect of consolidation	(0.39)	(1.07)
Ind-AS Adjustments:		
Expected Credit Loss	(414.41)	(23.27)
Deferred Tax Asset on above ECL	120.68	8.05
Reversal of provision for CSR	0.00	1.10
Unwinding of discount on employee loan valued at amortised cost	6.30	0.00
Unwinding of discount on security deposit valued at amortised cost	(1.66)	(1.01)
Prior period adjustments	0.00	(90.56)
Total Impact on Equity	**575.30**	**719.71**
Other Equity as reported under Ind-AS	**19826.61**	**25313.43**

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

D. Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

(Rs. in lakh)

Particulars	For the year ended 31.03.2018
Net profit after tax as reported under Previous GAAP	**2,833.48**
Net profit after tax as reported under Previous GAAP of PFCCAS (post-	38.33
Adjustments related to:	
Effective Interest Rate (EIR) / Income on loans classified at Amortised	5.65
Reinstatement of Prior period expenses	90.56
Impairment Allowance (ECL)	(391.14)
Others - CSR Provision	(1.10)
Effect of Consolidation	0.68
DTA on amount of accumulated Impairment allowance in excess of	112.62
Total of adjustments	**(144.41)**
Net profit after tax as per Ind AS	**2,689.07**
Other comprehensive income, net of tax	-
Total comprehensive income (net of tax) as per Ind AS	**2,689.07**

E. Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31 March 2018 (Rs. in lakh)

S. No.	Particulars	Previous GAAP	Adjustment due to merger	Effect of transition to Ind AS	Ind-AS
(i)	Net cash generated / (used) from Operating Activities	162.17	(22.41)	25.86	165.61
(ii)	Net cash generated / (used) from Investing Activities	7,516.76	(103.75)	1,126.54	8,539.55
(iii)	Net cash generated / (used) from financing activities	(8,175.90)	-	-	(8,175.90)
(iv)	Net Increase / Decrease in Cash and Cash Equivalents during the year	(496.97)	(126.16)	1,152.40	529.27
(v)	Add : Cash and Cash Equivalents at beginning of the financial year	2,458.98	126.73	774.60	3,360.31
(vi)	Cash and Cash Equivalents at the end of the period	1,962.01	0.57	1,927.00	3,889.58

F. Analysis of Cash and cash equivalents as at 31 March 2018 and 1 April 2017 for the purpose of statement of cash flow under Ind AS

(Rs. in lakh)

Particulars	As at 31 March 2018	As at 1 April 2017
Cash and cash equivalents for the purpose of statement of cash flow as per previous GAAP	1,962.01	2,458.98
Cash and cash equivalents for the purpose of statement of cash flow as per Ind AS	3,889.58	3,360.31

38. Transactions in foreign currency -

(i) **Earnings**

Earnings in foreign currency-Rs. Nil (Previous Year- Nil)

(ii) **Expenditure**

Expenditure in foreign currency-Rs. Nil (Previous Year- Nil).

39. Corporate Social Responsibility (CSR) Expenses

a) Details of gross amount required to be spent by the Company during the year **(Rs. in lakh)**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	133.04	125.06
Carry forward from previous year	5.74	1.10
Gross amount required to be spent	138.78	126.16
Amount spent during the year *	133.04	120.42
Unspent amount	5.74	5.74

b) Details of amount spent during the year **(Rs. in lakh)**

Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
Construction / Acquisition of any asset	-	-	-	-	-	-
On Purposes other than (i) above	-	-	-	-	-	-
Swachh Bharat Kosh	133.04	5.74	138.78	119.32	5.74	125.06
Environmental Sustainability (Solar Applications / Afforestation /Energy Efficient LED Lighting)	-	-	-	1.10	-	1.10
Total (ii)	133.04	5.74	138.78	120.42	5.74	126.16
Grand Total (i) and (ii)	133.04	5.74	138.78	120.42	5.74	126.16

40. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

(Rs. in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit and loss	
	As % of consolidated net	Amount	As % of consolidated Profit	Amount
Parent Company				
PFC Consulting Limited	100.008%	9,174.59	100.023%	2,199.85
Indian Associates (Investment as per the equity method) :				
Tanda Transmission Company Limited	0.000%	-	0.00%	0.00
Ballabhgarh-GN Transmission Company Limited	0.000%	-	0.00%	0.00
Mohindergarh-Bhiwani Transmission Limited	0.000%	-	0.00%	0.00
South-Central East Delhi Power Transmission Limited	0.000%	-	0.00%	0.00
Bijawar-Vidarbha Transmission Limited	0.009%	0.81	0.00%	0.00
Shongtong Karcham-Wangtoo Transmission Limited	0.000%	-	0.00%	0.00
Vapi II-Lakhimpur Transmission Limited	0.010%	0.88	-0.005%	-0.12
Bikaner-Khetri Transmission Limited	0.009%	0.87	-0.005%	-0.13
Bhuj-II Transmission Limited	0.009%	0.87	-0.005%	-0.13
Fatehgarh-II Transco Limited	0.009%	0.87	-0.005%	-0.13
Less : Investment in associates	-0.055%	-5.00	0.000%	0.00
Total	100.000%	9,173.88	100.00%	2,199.34

41. Incorporation of Associate Companies

During the year, following associates (ITP) have been incorporated **(Rs. in lakh)**

Company Name	Date of Incorporation	Share in ownership	Investment in Share Capital
Vapi II-Lakhimpur Transmission Limited	25-Jun-18	100%	1.00
Obra-C Badaun Transmission Limited	09-Aug-18	100%	1.00
Bikaner-Khetri Transmission Limited	22-Feb-19	100%	1.00
Bhuj-II Transmission Limited	25-Feb-19	100%	1.00
Fatehgarh-II Transco Limited	26-Feb-19	100%	1.00
Lakadia-Vadodara Transmission Project Limited	15-Mar-19	100%	1.00

42. Transfer/Disinvestment of Associate Companies

Name of the Company	Date of Incorporation	Date of transfer to successful bidders
Obra-C Badaun Transmission Limited	09-Aug-18	21-Dec-18

43. Events occurring after the reporting date

There are no subsequent events which require any adjustment in financial statements.

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 00973413)

For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502238

Place: - New Delhi
Date: - 17-06-2019

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

Form AOC 1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B":
Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in lakh)

S. No.	Name of Associates/Joint Ventures	Bijawar-Vidhrbha Transmission Limited	Vapi II-North Lakhimpur Transmission Limited	Bhuj-II Transmission Limited	Fatehgarh-II Transco Limited	Bikaner Khetri Transmission Limited	Ballabhgarh-GN Transmission Company Limited	Mohindergarh-Bhiwani Transmission Limited	South Central East Delhi Power Transmission Limited	Tanda Transmission Company Limited	Shongtong Karcham-Wangtoo Transmission Limited
1.	Latest audited Balance Sheet Date	31 March 2019	31 March 2019	Note (iii)	Note (iii)	Note (iii)	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
2.	Shares of Associate held by the company on the year end										
	Number of shares	10,000	10,000	10,000	10,000	10,000	50,000	50,000	50,000	50,000	10,000
	Amount of Investment in Associates	1.00	1.00	1.00	1.00	1.00	5.00	5.00	5.00	5.00	1.00
	Extend of Holding %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3.	Description of how there is significant influence	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding	100% Shareholding
4.	Reason why the associate is not consolidated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	0.81	0.88	0.87	0.87	0.87	-	-	-	0.01	0.81
6.	Profit / Loss for the year										
	Considered in Consolidation	-	0.12	0.13	0.13	0.13	-	-	-	-	-
	Not Considered in Consolidation	-	-	-	-	-	-	-	-	-	-

Note
i) All the ITPs are under pre-operative Stage and yet to commence operations.
ii) Obra-C Badaun Transmission Limited has been sold/transferred during the year
iii) The associates were incorporated after 1st Jan, 2019 and as per Sec 2(41) of the Companies Act, 2013, where the Company has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year shall be its first financial year. Therefore, the Balance Sheet of these Companies have not been audited

For and on behalf of Board of Directors

(Manish Kumar Agrawal)
Company Secretary
M. No. F5048

(Yogesh Juneja)
Chief Executive Officer

(N.B.Gupta)
Director
(DIN 00530741)

(Rajeev Sharma)
Chairman
(DIN 00973413)

For Khanna & Annadhanam
Chartered Accountants
(Firm Registration No:001297N)

(Sanjeev Srivastava)
Partner
M. No. 502258

Place. - New Delhi
Date - 17-06-2019

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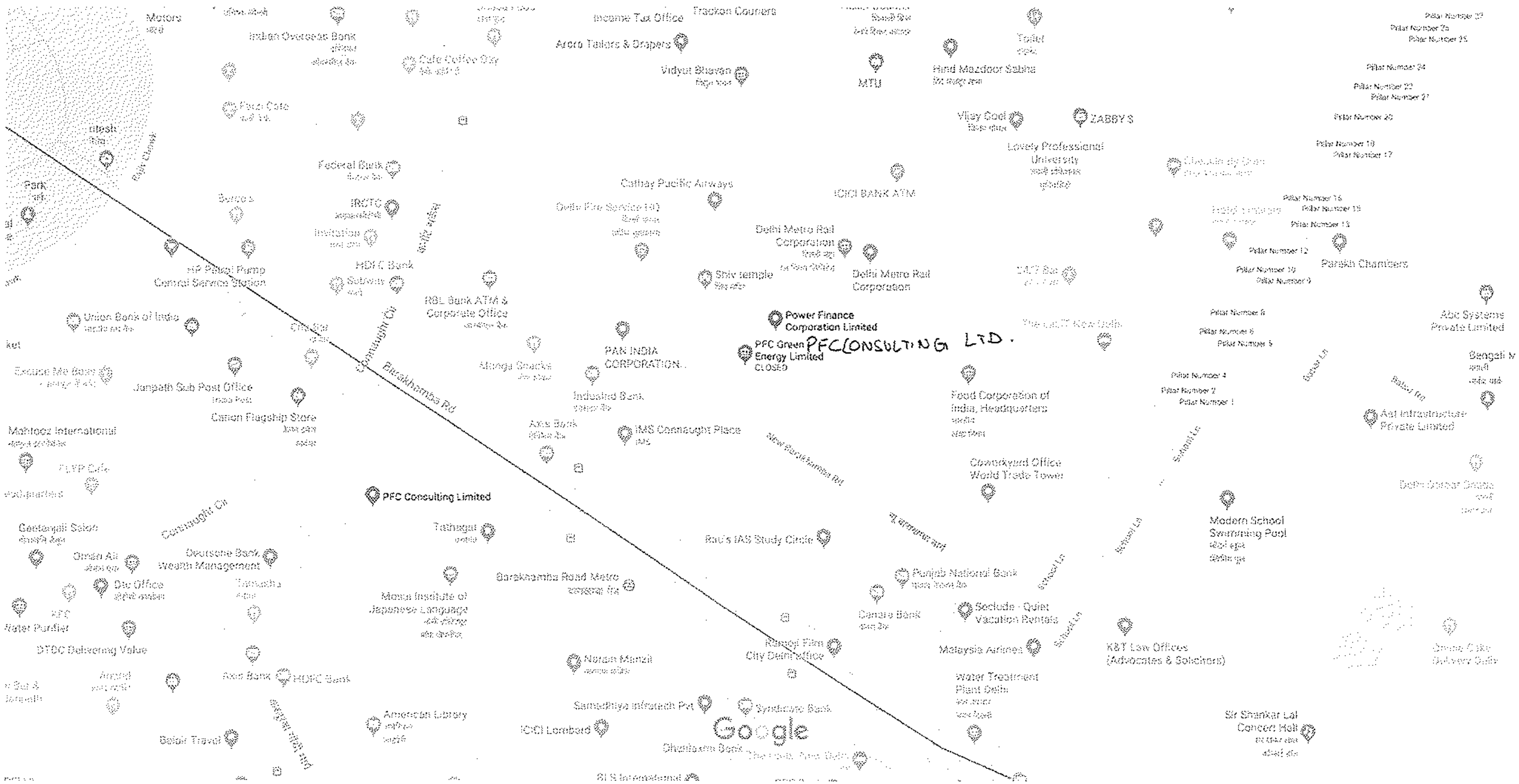
Google Maps

power Finance Corporation Limited

PFC CONSULTING LIMITED



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