PFC CONSULTING LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

15th Annual Report

2022-23

PFC CONSULTING LTD.

CONTENTS

Corporate Information

BOARD OF DIRECTORS

1.	Smt. Parminder Chopra	: Chairperson
2.	Shri Rajiv Ranjan Jha	: Director
3.	Shri Manoj Sharma	: Director

CHIEF EXECUTIVE OFFICER
Shri Manoj Kumar Rana

CHIEF FINANCIAL OFFICER
Shri Milind Madhusudan Dafade

COMPANY SECRETARY
Shri Sachin Arora

SUBSIDIARIES
Anantpuram Kurnool Transmission Limited
Chhatarpur Transmission Limited
Beawar Dausa Transmission Limited
Siot Transmission Limited
Bhadla III Transmission Limited
Bikaner III Neemrana Transmission Limited
Bikaner III Neemrana II Transmission Limited
Neemrana II Bareilly Transmission Limited
Neemrana II Kotputli Transmission Limited
Joda Barbil Transmission Limited
Tirwa Transmission Limited
Jewar Transmission Limited
Koppal II Gadag II Transmission Limited
Bijawar-Vidarbha Transmission Limited (under process of strike off)

STATUTORY AUDITOR
M/s. KPMC & Associates, Chartered Accountants

BANKERS
Reserve Bank of India
State Bank of India Limited
RBL Bank
Indian Bank
Punjab National bank
Bank of Baroda
HDFC Bank Limited
ICICI Bank Limited

REGISTERED OFFICE:
First Floor, "Urjanidhi", 1- Barakhamba Lane,
Connaught Place, New Delhi-110001

CORPORATE OFFICE
9th Floor ('A' Wing),
Statesman House Building,
Barakhamba Road, Connaught Place,
New Delhi-110001
Tel: 011-23443900 Fax: 011-23443900

WEBSITE
www.pfcclindia.com

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 15th Annual General Meeting of PFC Consulting Limited will be held on **Monday, the 11th day of September, 2023 at 01:30 P.M. at 9th Floor, Statesman House, Barakhamba Road, Connaught Place, New Delhi - 110001** at a 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, 2023, along with the Auditor's Report and Directors' Report thereon.

2. To declare Final Dividend on Equity Shares for the financial year 2022-23.

3. To appoint a Director in place of Shri Rajiv Ranjan Jha (DIN 03523954), who retires by rotation and being eligible, offers himself for re-appointment.

4. 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 2023-24, as may be deemed fit by the Board."

By order of the Board of Directors
For PFC Consulting Limited

Sd/-
(Sachin Arora)
Company Secretary
ACS No. 26459

Date: 04.09.2023
Place: New Delhi

Notes:

1. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the persons seeking appointment/re-appointment as Director under item No. 3 of the Notice are also annexed.

2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member 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. Proxy so appointed shall not have any right to speak at the meeting.

3. The Statutory Registers and other records under the Companies Act, 2013 and rules made thereunder, will be available 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 by the Comptroller and Auditor General of India for the financial year 2023-24.

5. 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.

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

Name of Director	**Shri Rajiv Ranjan Jha**
Date of Birth	26.04.1966
Date of Appointment	12.11.2021
Relationship with Directors	NIL
Qualification	• B.Sc (Mechanical Engg.) • Diploma in Management
Experience	Shri Rajiv Ranjan Jha has been working with Power Finance Corporation Limited (PFC) since March 1997 having an overall experience of more than 35 years. Presently, he is holding the position of Director (Projects), PFC.
Directorships in other companies (as on 15th July, 2023)	• Power Finance Corporation Limited • PTC India Limited • Orissa Integrated Power Limited • Coastal Tamil Nadu Power Limited • Cheyyur Infra Limited
Chairman/ Membership of Committees across all public companies	3
Number of Shares held in the Company as on 31st March 2023	NIL

For details regarding number of meetings of the Board attended during the year in respect of above mentioned Directors, please refer to the Board's Report.

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 – 11001,

I, ____________, S/o ________________, R/o ______________________________ holding __________ Equity Shares of Rs. 10/- each in the company, do hereby give consent for calling the 15th Annual General Meeting on __________, the __________day of ________, 2023 at ________ at a shorter notice, pursuant to the proviso of Section 101 of the Companies Act, 2013.

Signature____________________
Name: ___________________
Date:

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 15TH ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON MONDAY, THE 15TH DAY OF SEPTEMBER, 2023 AT 02:30 P.M AT 9TH FLOOR, STATESMAN HOUSE, BARAKHAMBA ROAD, 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 01st Annual General Meeting of the company, to be held on Monday, the 15th Day of September, 2023 at 02:30 P.M at 9th Floor, Statesman House, Barakhamba Road, 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, 2023, along with the Auditor's Report and Directors' Report thereon.
2. To declare Final Dividend on Equity Shares for the financial year 2022-23.
3. To appoint a Director in place of Shri Rajiv Ranjan Jha (DIN 03523954), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

Signed this...... day of......... 2023

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.

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

BOARD'S REPORT 2022-23

To

The Members,

The Directors have pleasure in presenting the 15th Board Report on the performance of your Company for the Financial Year ended 31st March, 2023 together with Audited Financial Statements, Auditor's Report thereon and comments of Comptroller & Auditor General of India.

FINANCIAL HIGHLIGHTS

(Figures in ₹ Lakh)

Sl. No.	Particulars	2022-23	2021-22	% Change
1.	Total Income	13,966	9,110	53
2.	Total Expenditure	5,421	4,081	33
3.	Profit Before Tax	8,545	5,029	70
4.	Provision for Tax			
	- Current Tax	1,742	1,374	27
	- Income tax adjustment for earlier years	(5)	-	-100
	- Deferred Tax	427	(31)	-1477
5.	Profit After Tax	6,381	3,686	73
6.	Profit brought forward from previous years	11,043	8,713	
7.	Interim Dividend	-	-	
8.	Final Dividend	3,510#	1,130*	210.62
9.	Accumulated Profit carried to Balance Sheet	16,294	11,043	

#Recommended by the Board for the F.Y. 2022-23.
*Paid in the F.Y. 2022-23 for the F.Y. 2021-22.

FINANCIAL PERFORMANCE

i) Revenue

During the financial year under review, the total income of the Company has increased from ₹9,110 Lakh to ₹13,966 Lakh showing increase of 53.30% from the previous year. The main reason for increase in income is transfer/award of Independent Transmission Projects to successful developers, revenue from RDSS projects and starting of revenue recognition from smart meter project. During the FY 2022-23 your company has successfully transferred/awarded 7(seven) ITPs as compared to 5 (Five) ITPs in FY 2021-22. Income from consultancy assignments (other than fee from transfer of ITPs) also increased to ₹4699 Lakh from ₹ 2541 Lakh. Further, revenue from smart metering project of ₹946 Lakh has been recognised in FY 2022-23.

ii) Expenses

During the Financial Year 2022-23, the Company had incurred total expenditure of ₹5,421 Lakh as against the total expenditure of ₹4,081 Lakh incurred last year.

iii) Profit

During the financial year 2022-23, your company earned Profit before Tax of ₹ 8,545 Lakh as compared to ₹ 5,029 Lakh for the financial year 2021-22 showing increase of 69.91%. The main reasons for increase in profit is transfer/award of ITPs, revenue from RDSS projects and starting of revenue recognition from smart meter project. During the FY 2022-23 income of Rs.5,889 Lakh received as compared to Rs.3,993 Lakh only received in FY 2021-22 from transfer/award of ITPs.

iv) Dividend

In compliance of 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, the Board of Directors in its meeting held on 22nd May, 2023 recommended dividend amounting to Rs. 3510 lakh (approx.) i.e. @ 55% of the PAT for approval of shareholders.

v) Share Capital

During the financial year 2022-23, the paid-up share capital is ₹ 5,22,460/- (Rupees Five Lakh Twenty Two Thousand Four Hundred and Sixty only) comprising of 52,246 equity shares of ₹10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

OPERATIONAL HIGHLIGHTS

Your company has been established to provide Consultancy Services in Power and other allied sectors 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:

1. PFCCL successfully upgraded the PRAAPTI Portal as per the provisions of Late Payment Surcharge (LPS) Rules, 2022.
2. PFCCL installed and integrated approx. 1.5 lakh nos. of Smart Meters in Shimla and Dharamshala towns of Himachal Pradesh.
3. PFCCL is assisting MoP in privatization of power department of Union Territories.
4. PFCCL was appointed by MoP to prepare an EOI and manage Bidding Process for setting up of Manufacturing Zone, as directed by MoP.
5. PFCCL was appointed as:
   a) Bid Process Coordinator for new Transmission Scheme :
      i) Seven (7) Schemes by MoP
      ii) Three (3) Schemes by State Utilities

   b) Bid Process Coordinator for Bundled Energy (Thermal/Hydro) by Ministry of Power (MoP)

   c) Nodal Agency to carry out bidding for coal under SHAKTI Policy by MoP:
      i) under Para B(ii)- 5th round
      ii) under Para B(v)

   d) Project Implementation Agency in implementation of Smart Metering in UT of Puducherry by Govt. of Puducherry.

   e) Project Management Consultant under KfW Facility for 3 nos. of projects of West Bengal State Electricity Distribution Company Limited (WBSEDCL) by PFC Ltd.

f) Consultant to draft Resolution Plan for 2x270 MW Coal based TPP of GVK (Goindwal Sahib) Power Limited (GVKGSPL) at near Goindwal Sahib village, District Tarn Taran in the state of Punjab by Punjab State Power Corporation Limited (PSPCL).

g) Consultant to provide Opinion for purchase of power from Pakaldul, Kwar and Ratle HEPs by Jammu and Kashmir Power Corporation Limited (JKPCL)

h) Consultant to verify the change in Law invoices of Adhunik Power and Natural Resources Limited (APNRL) against supply of power to WBSEDCL by PTC India Ltd.

i) Consultant to carry out Pre-Feasibility study for setting up of ground mounted solar PV power projects by Govt. of Puducherry

j) Consultant for LIE/LIA (150 MW Solar Power Plant of ReNew Surya Ravi Private Limited RSRPL-Rajasthan) by PFC Ltd.

k) Consultant to assist and support in Project Management by Manipur State Power Distribution Company Limited (MSPDCL) for Reform based and Result linked, RDSS.

6. PFCCL successfully rendered services for:

a) Preparation of Action Plan and Detailed Project Report for Revamped Reforms Based and Result Linked Distribution Sector Scheme (RDSS) for:
   a) Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL)
   b) Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL)
   c) Andhra Pradesh Central Power Distribution Company Limited (APCPSCL)
   d) West Bengal State Electricity Distribution Company Limited (WBSEDCL)
   e) Uttarakhand Power Corporation Limited (UPCL)
   f) Power Department (Govt. of Sikkim)

b) Project Management Agency for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) under 8 nos. of districts of Gwalior region of Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL).

c) Project Management Agency for DDUGJY and IPDS under 10 nos. of districts of West Bengal region of WBSEDCL.

d) Opinions for purchase of power from Kiru, Pakaldul, Kwar and Ratle HEPs to JKPCL.

e) SHAKTI Policy B (ii)-Fifth round for the allocation of Coal to Power Generating Company

f) Carrying out comparison of various options to utilize the coal rejects generated from washing of coal at Gare Palma Sector-II coal mine, Dist:-Raigarh to MAHAGENCO.

ULTRA MEGA POWER PROJECTS (UMPPs)

The Government of India (GoI) introduced the UMPP program with the objective of developing large capacity power projects, each with a contracted capacity of approximately 4,000 MW in India. These UMPPs utilize the principle of economies of scale and the mechanisms of supercritical technology to reduce emissions and lower tariff.

The Central Electricity Authority is the Technical Partner and Power Finance Corporation is the Nodal Agency for the development of these UMPPs.

As on date, 17 UMPPs have been identified wherein 4 have been awarded and 7 are closed. In Quarterly Progress Review Meeting taken by Secretary (Power), MoP on 23.09.2022, it was deliberated that the UMPPs may be closed in view of the country making the energy transition. MoP conveyed its consent for the closure of remaining 6 UMPPs namely Odisha, Cheyyur, Banka, Deoghar, Odisha 1st and 2nd Additional UMPPs. Accordingly, PFC/PFCCL is in the process of closure of UMPPs.

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.

As on 20.07.2023, 56 (fifty six) Special Purpose Vehicles (SPVs), 2 by PFC and other 54 (fifty four) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 56 (fifty six) SPVs, Five SPVs were liquidated/ got Striked off the name from the records of Registrar and 39 (thirty nine) SPVs were transferred to the successful bidders as on 15.07.2023.

During the period under review, MoP appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for the following new Transmission Schemes:

Sl. No.	Scheme Name	Name of SPV and Date of Incorporation	Status of the Bidding
1.	Creation of 400/220 Kv, 2x315 MVA S/S at SIOT, Jammu & Kashmir	SIOT Transmission Limited 27th April, 2022	Project is on Hold
2.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III –Part-G	Fatehgarh III Beawar Transmission Limited 5th May, 2022	After completion of bidding process, Letter of Intent (LoI) has been issued to Sterlite Grid 19 Limited.
3.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under phase-III –Part-H	Bewar Dausa Transmission Limited 6th May, 2022	Single Stage RFP bid process was initiated on 03.03.2023. Ten (10) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 27.07.2023. Technical Bids were opened on 27.07.2023. Following four bidders have submitted the bids: i.Powergrid Corporation

			of India Limited ii. Tata Power Company Limited iii. Sterlite Grid 30 Limited iv. IndiGrid 1 Limited Evaluation of Technical Bids is under progress.
4.	Transmission system for 400KV Khadukhal (Srinagar) – Rampura (Kashipur) D/C line	Khandukhal Rampura Transmission Limited 13th May, 2022	After completion of bidding process, SPV is transferred to Megha Engineering & Infrastructures Limited, the successful bidder on 07th October, 2022.
5.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under 5.Phase-III –Part-A3	Fatehgarh III Transmission Limited 18th May 2022	After completion of bidding process, Letter of Intent (LoI) has been issued to Apraava Energy Private Limited.
6.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III –Part-B1	Bhadla III Transmission Limited 27th May, 2022	After completion of bidding process, Letter of Intent (LoI) has been issued to Power Grid Corporation of India Limited.
7.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III–Part-A1	Fatehgarh IV Transmission Limited 8th June, 2022	After completion of bidding process, Letter of Intent (LoI) has been issued to Apraava Energy Private Limited.
8.	Transmission System "Western Region Expansion Scheme - XXVII (WRES-XXVII)"	Raipur Pool Dhamtari Transmission Limited 18th November, 2022	After completion of bidding process, SPV is transferred to Power Grid Corporation of India Limited, the successful bidder on 28th March, 2023.
9.	Transmission System for "Western Region Expansion Scheme-XXVIII (WRES-XXVIII) & XXIX (WRES-XXIX)"	Dharamjaigarh Transmission Limited 18th November, 2022	After completion of bidding process, SPV is transferred to Power Grid Corporation of India Limited, the successful bidder on 28th March, 2023.
10.	Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-A	Bikaner III Neemrana Transmission Limited 08th June, 2023	Single Stage RFP bid process was initiated on 15.02.2023. Six (06) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 23rd August, 2023.

11.	Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-D	Neemrana II Bareilly Transmission Limited 08th June, 2023	Single Stage RFP bid process was initiated on 02.03.2023. Five (05) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 22nd August, 2023.
12.	Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-C	Bikaner III Neemrana II Transmission Limited 13th June, 2023	Single Stage RFP bid process was initiated on 02.03.2023. Six (06) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 21st August, 2023.
13.	Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-B"	Neemrana II Kotputli Transmission Limited 19th June, 2023	Single Stage RFP bid process was initiated on 15.02.2023. Five (05) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 24th August, 2023.

During the period under review, State Govt./ Utilities appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for the following new Transmission Schemes:

Sl. No.	**Scheme Name**	**Name of SPV and Date of Incorporation**	**Status of the Bidding**
1.	Construction of 220/132/33 KV Tirwa (Kannauj) Substation with Associated Lines and LILO of One Circuit of 400 KV D/C (Twin Moose) Shamli-Aligarh Line at THDC 2*660 MW Khurja Power Plant	Tirwa Transmission Limited 14th June, 2023	e-Reverse Auction concluded. LoI to be issued to the successful bidder on receipt of approval from UPPTCL.
2.	Transmission Scheme for construction of 400/220/132 Kv Grid Substations at Joda/Barbil with associated Transmission Lines	Joda Barbil Transmission Limited 20th June, 2023	Single Stage RFP bid process was initiated on 18.07.2023. RFP bid submission is scheduled on 19th September, 2023.

3.	Transmission System for development of "400/220 kV, 2x500 MVA GIS Substation Jewar, 220/33 kV, 2x60 MVA GIS substation Cantt (Chaukaghat) Varanasi, 220/33 kV, 3x60 MVA GIS substation Vasundhara (Ghaziabad), 220/132/33 kV, 2x160+2x40 MVA Khaga (Fatehpur) with associated lines"	Jewar Transmission Limited 06th July, 2023	Single Stage RFP bid process was initiated on 04.05.2023. Six (06) bidders have purchased RFP documents till date. Due to various reasons the RFP bid submission date has been extended up to 28th August, 2023.

MoP has de-notified the schemes for Bijawar-Vidarbaha Transmission Limited. The requisite documents for striking off the name of SPV from the records of Registrar of Companies (ROC) have been filed.

PFCCL has also been appointed as Bid Process Coordinator (BPC) for five (5) new Transmission Schemes (2 Schemes by State Utilities and 3 Schemes by MoP) as mentioned below to be implemented through tariff based Competitive Bidding Process:

i) Transmission System for Evacuation of Additional 7GW of RE Power from Khavda RE Park under Phase III Part A;
ii) Transmission System for Evacuation of Additional 7 GW of RE Power from Khavda RE Park Under Phase III Part B;
iii) Package A (West Bengal)- (i) 400/220/132/33 kV SS at Ramakanali-B along with associated transmission lines. (ii) 220/33 kV SS at Panagarh along with associated transmission line;
iv) Package B (Jharkhand) - (i) 400/220/132/33 kV SS at Gola-B along with associated transmission lines. (ii) 220/33 kV SS at Ramgarh along with associated transmission line;
v) Eastern Region Expansion Scheme-XXXIV (ERES-XXXIV).

Special Purpose Vehicle (SPVs) for the development of the said Transmission Schemes are to be incorporated as a wholly owned subsidiary of PFCCL.

CLIENT BASE

Your company is on its path to become a premier consulting organization 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.
State Utilities	43
Licensees/ IPPs	13
Public Sector Undertakings	9
State Governments/ UTs	8
Regulatory Commissions	3
Central Govt. departments/Ministries	2
Total	78

PFCCL has worked on over 180 assignments for 78 Clients PAN India.

SUBSIDIARIES

Incorporation of Subsidiary

Your Company has incorporated Nine (09) new companies for development of Transmission schemes during the financial year and Seven (7) till 20.07.2023. Theses SPVs will be transferred to the successful bidder after completion of bidding process. The details are as follows:

(i) SIOT Transmission Limited (STL was incorporated on 27th April, 2022) for Creation of 400/220 Kv, 2x315 MVA S/S at SIOT, Jammu & Kashmir.

(ii) Fatehgarh III Beawar Transmission Limited (F3BTL was incorporated on 5th May, 2022) for development of Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III –Part-G.

(iii) Bewar Dausa Transmission Limited (BDTL was incorporated on 6th May, 2022) for development of Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under phase-III –Part-H.

(iv) Khandukhal Rampura Transmission Limited (KRTL was incorporated on 13th May, 2022) for development of Transmission system for 400KV Khadukhal (Srinagar) – Rampura (Kashipur) D/C line.

(v) Fatehgarh III Transmission Limited (F3TL was incorporated on 18th May, 2022) for development of Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III –Part-A3.

(vi) Bhadla III Transmission Limited (B3TL was incorporated on 27th May, 2022) for development of Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III –Part-B1.

(vii) Fatehgarh IV Transmission Limited (F4TL was incorporated on 8th June, 2022) for development of Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III–Part-A1.

(viii) Raipur Pool Dhamtari Transmission Limited was incorporated on 18th November, 2022 for development of "Western Region Expansion Scheme - XXVII (WRES-XXVII)". After completion of bidding process, SPV is transferred to Power Grid Corporation of India Limited, the successful bidder on 28th March, 2023.

(ix) Dharamjaigarh Transmission Limited was incorporated on 18th November, 2022 for development of "Western Region Expansion Scheme-XXVIII (WRES-XXVIII) & XXIX (WRES-XXIX)". After completion of bidding process, SPV is transferred to Power Grid Corporation of India Limited, the successful bidder on 28th March, 2023.

(x) Bikaner III Neemrana Transmission Limited was incorporated on 08th June, 2023 for development of "Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-A"

(xi) Neemrana II Bareilly Transmission Limited was incorporated on 08th June, 2023 for development of "Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-D".

(xii) Tirwa Transmission Limited was incorporated on 14th June, 2023 for development of "Construction of 220/132/33 KV Tirwa (Kannauj) Substation with Associated Lines and LILO of One Circuit of 400 KV D/C (Twin Moose) Shamli-Aligarh Line at THDC 2*660 MW Khurja Power Plant".

(xiii) Bikaner III Neemrana II Transmission Limited was incorporated on 13th June, 2023 for development of "Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-C".

(xiv) Neemrana II Kotputli Transmission Limited was incorporated on 19th June, 2023 for development of "Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-1: Bikaner Complex) Part-B".

(xv) Joda Barbil Transmission Limited was incorporated on 20th June, 2023 for developing "Construction of 400/220/132 KV Grid Substations at Joda/Barbil with associated transmission lines".

(xvi) Jewar Transmission Limited was incorporated on 06th July, 2023 for the development of "400/220 kV, 2x500 MVA GIS Substation Jewar, 220/33 kV, 2x60 MVA GIS substation Cantt (Chaukaghat) Varanasi, 220/33 kV, 3x60 MVA GIS substation Vasundhara (Ghaziabad), 220/132/33 kV, 2x160+2x40 MVA khaga (Fatehpur) with associated lines".

Transfer of Subsidiaries

During the period under review to till date, the Company has transferred seven (07) of its wholly owned subsidiary as per the detail given below:

Sl. No	Name of SPV	Successful Bidder	Date of Transfer
1.	Khetri-Narela Transmission Limited	Power Grid Corporation of India Limited	11.05.2022
2.	Mohanlalganj Transmission Limited	Power Grid Corporation of India Limited	30.05.2022
3.	Khandukhal Rampura Transmission Limited	Megha Engineering & Infrastructures Limited	07.10.2022
4.	Kishtwar Transmission Limited	Sterlite Grid 24 Limited	06.12.2022
5.	Bhadla Sikar Transmission Limited	Power Grid Corporation of India Limited	28.03.2023
6.	Raipur Pool Dhamtari Transmission Limited	Power Grid Corporation of India Limited	28.03.2023
7.	Dharamjaigarh Transmission Limited	Power Grid Corporation of India Limited	28.03.2023

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.

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:

- On superannuation from the services of Power Finance Corporation Limited (PFC), Holding Company, Shri R.S. Dhillon ceased to be the Chairman of the Company w.e.f 31st May, 2023.

- Pursuant to the office Order issued by PFC, Smt. Parminder Chopra, Director (Finance), PFC assumed the additional charge of Chairperson & Managing Director, PFC w.e.f. 01st June, 2023. Consequent upon assumption of additional Charge of CMD, PFC by Smt. Parminder Chopra, Director (Finance), PFC is the Chairperson of the Company w.e.f. 01st June, 2023.

- Further, pursuant to the office Order issued PFC, Smt. Parminder Chopra has assumed the charge of Chairman & Managing Director, PFC w.e.f. 14th August, 2023.

Your Board places on record its deep appreciation for the valuable contribution made by Shri R.S. Dhillon during his tenure as Chairman/Director of the Company.

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

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

Smt. Parminder Chopra	**Chairperson/ Chairman & Managing Director, PFC**
Shri Rajiv Ranjan Jha	**Director / Director (Projects), PFC**
Shri Manoj Sharma	**Director/Director (Commercial), PFC**

KEY MANAGERIAL PERSONNEL

- The provisions of the Section 203(1) of Companies Act 2013 read with the Companies Rules, 2014 relating to appointment of Key Managerial Personnel is not applicable to your Company, however, for better Corporate Governance Company has Company Secretary since its inception and during the year under review, Shri Manoj Kumar Rana has been appointed as Chief Executive Officer of the Company and HoU (Finance), PFCCL (presently Shri Milind Madhusudan Dafade) has been appointed as Chief Finance Officer of the Company w.e.f 03rd December, 2022.

- Pursuant to the office Orders issued by PFC, Shri Manish Kumar Agrawal has been transferred to CS Unit, PFC and Shri Sachin Arora, CM, PFC has been transferred to PFCCL and designated as CS, PFCCL w.e.f. 16th February, 2023.

Consequent to the aforesaid appointments, presently the Company has following Key Managerial Personnel(s):

Chief Executive Officer	**Shri Manoj Kumar Rana**
Chief Finance Officer	**Shri Milind Madhusudan Dafade**
Company Secretary	**Shri Sachin Arora**

MEETINGS OF BOARD OF DIRECTORS

Six (6) Board meetings were held during the financial year 2022-23, 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	20th May, 2022	03	03
2	13th September, 2022	04	04
3	22nd September, 2022	04	04
4	03rd December, 2022	04	03
5	10th March, 2023	04	04
6	28th March, 2023	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:

- Pursuant to the office Orders issued by PFC, Shri Manoj Sharma, was appointed as the Director (Commercial), PFC and consequently Board of the Company has nominated as the Member of the CSR Committee of Board of Directors of the Company w.e.f. 13th September, 2023;
- Shri R. S. Dhillon, Chairman ceased to be the Chairman/Member of the Committee w.e.f. 13th September, 2023;
- Smt. Parminder Chopra was appointed as the Chairperson of the CSR Committee of Board of Directors of the Company w.e.f. 13th September, 2023.

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

Smt. Parminder Chopra	**Chairperson**
Shri Rajiv Ranjan Jha	**Member**
Shri Manoj Sharma	**Member**

During the financial year 2022-23, one (01) 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	27th March, 2023	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. KPMC & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2022-23 by the Comptroller & Auditor General of India.

The Statutory Auditors have audited the accounts of the Company for the FY 2022-23 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed herewith.

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

C&AG vide their letter dated 20th July, 2023 mentioned that on the basis of supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143(6)(b) of the Companies Act, 2013. A copy of the letter issued by C&AG in this regard is annexed herewith.

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)

Your Company has entered into Memorandum of Understanding (MoU) with its holding company, Power Finance Corporation Limited for the Financial Year 2022-23.

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, 2023 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

Your company has successfully transferred three SPVs to the successful developers after completion of the bidding process.

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, during the year all employees related payments to such employees of PFC assigned to work for PFCCL were made and borne 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 Harassment 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 harassment stance as outlined in the Conduct, Discipline and Appeal Rules of our parent Company i.e. PFC. During the financial year 2022-23, no complaint of sexual harassment 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.

As per the decision of Board of PFCCL, PFCCL has contributed its entire CSR budget of Rs.1,12,93,123/- (Rupees One Crore Twelve Lakh Ninety Three Thousand One Hundred and Twenty Three only) to the "PM CARES FUND towards CSR initiative of PFCCL for FY 2022-23.

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

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

Date: 04-09-2023
Place: New Delhi

Annexure-I

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 2022-23.

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)	Bijawar-Vidarbha Transmission Limited (under process of strike off)	: Subsidiary Company
3)	Ananthpuram Kurnool Transmission Limited	: Subsidiary Company
4)	Chhatarpur Transmission Limited	: Subsidiary Company
5)	Bhadla-Sikar Transmission Limited	: Subsidiary Company
6)	Khetri-Narela Transmission Limited	: Subsidiary Company
7)	Mohanlalganj Transmission Limited	: Subsidiary Company
8)	Kishtwar Transmission Limited	: Subsidiary Company
9)	Siot Transmission Limited	: Subsidiary Company
10)	Fatehgarh III Beawar Transmission Limited	: Subsidiary Company
11)	Beawar Dausa Transmission Limited	: Subsidiary Company
12)	Fatehgarh III Transmission Limited	: Subsidiary Company
13)	Bhadla III Transmission Limited	: Subsidiary Company
14)	Fatehgarh IV Transmission Limited	: Subsidiary Company
15)	Dharamjaigarh Transmission Limited	: Subsidiary Company
16)	Khandukhal Rampura Transmission Limited	: Subsidiary Company
17)	Raipur Pool Dhamtari Transmission Limited	: Subsidiary Company
18)	Shongtong Karcham-Wangtoo Transmission Limited (strike off on 13.01.2023)	: Subsidiary Company
19)	Tanda Transmission Company Limited (strike off on 13.01.2023)	: Subsidiary Company
20)	Orissa Integrated Power Limited	: Subsidiary of Holding Company
21)	Odisha Infrapower Limited	: Subsidiary of Holding Company
22)	Coastal Tamil Nadu Power Limited	: Subsidiary of Holding Company
23)	Cheyyur Infra Limited	: Subsidiary of Holding Company
24)	Deoghar Mega Power Limited	: Subsidiary of Holding Company
25)	Deoghar Infra Limited	: Subsidiary of Holding Company
26)	Sakhigopal Integrated Power Company Limited	: Subsidiary of Holding Company
27)	Ghogarpalli Integrated Power Company Limited	: Subsidiary of Holding Company
28)	Bihar Mega Power Limited	: Subsidiary of Holding Company
29)	Bihar Infrapower Limited	: Subsidiary of Holding Company
30)	Jharkhand Infrapower Limited	: Subsidiary of Holding Company
31)	Tatiya Andhra Mega Power Limited (strike off	: Subsidiary of Holding Company

	on 27.09.2022)	
32)	Coastal Maharashtra Mega Power Limited (strike off on 29.09.2022)	: Subsidiary of Holding Company
33)	Chhattisgarh Surguja Power Limited (strike off on 11.01.2023)	: Subsidiary of 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: - N.A.

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

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

Place: New Delhi
Date: 04.09.2023

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2023

[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, Ph-01123443900
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 Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	L65910DL1986GOI024862	Holding Company	100	2(46)
2	Bijawar-Vidarbha Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40300DL2017GOI310540	Subsidiary Company	100	2(87)
3	Ananthpuram Kurnool Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40106DL2020GOI363683	Subsidiary Company	100	2(87)
4	Chhatarpur Transmission Limited (CTL) 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40200DL2022GOI392877	Subsidiary Company	100	2(87)
5	Siot Transmission Limited 'Urjanidhi' 1, Barakhamba Lane,	U40106DL2022GOI397436	Subsidiary Company	100	2(87)

	Connaught Place, New Delhi -110001				
6	Fatehgarh III Beawar Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40106DL2022GOI397791	Subsidiary Company	100	2(87)
7	Beawar Dausa Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40300DL2022GOI397875	Subsidiary Company	100	2(87)
8	Fatehgarh III Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U74999DL2022GOI398531	Subsidiary Company	100	2(87)
9	Bhadla III Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U74999DL2022GOI399208	Subsidiary Company	100	2(87)
10	Fatehgarh IV Transmission Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	U40106DL2022GOI399699	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-2022]				No. of Shares held at the end of the year [As on 31-March-2023]				% 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	1.34	0	700	700	1.34	NIL
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	51546	51546	98.66	0	51546	51546	98.66	NIL
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**	**52246**	**52246**	**100**	**0**	**52246**	**52246**	**100**	**0.00**
(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**	**52246**	**52246**	**100**	**0**	**52246**	**52246**	**100**	**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)	**NIL**	**52246**	**52246**	**100**	**NIL**	**52246**	**52246**	**100**	**0.00**

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

(ii) Shareholding of Promoter-

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% change in shareholding 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	51546	98.66%	NIL	51546	98.66%	NIL	NIL
2	Shri Manoj Kumar Rana*	100	0.19%	NIL	100	0.19%	NIL	NIL
3	Shri Gaddam David*	100	0.19%	NIL	100	0.19%	NIL	NIL
4	Shri R. K. Malhotra*	100	0.19%	NIL	100	0.19%	NIL	NIL
5	Shri Rajesh Kr. Shahi*	100	0.19%	NIL	100	0.19%	NIL	NIL
6	Shri P. K. Sinha*	100	0.19%	NIL	100	0.19%	NIL	NIL
7	Shri Subir Saha*	100	0.19%	NIL	NIL	NIL	NIL	(0.19%)
8	Shri R. Rahman *	100	0.19%	NIL	NIL	NIL	NIL	(0.19%)
9	Shri G. Onkara*	NIL	NIL	NIL	100	0.19%	NIL	0.19%
10	Shri R. K. Chaturvedi*	NIL	NIL	NIL	100	0.19%	NIL	0.19%

*** NOMINEE OF POWER FINANCE CORPORATION LIMITED**

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

Sl. No.		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	NO CHANGE IN THE PROMOTERS' SHAREHOLDING			
	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				

(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 (01.04.2022 to 31.03.2023)	
		No. of shares at the beginning / end of the year	% of Total shares of Company				No. of Shares	% of Total shares of Company
1.	Sh. Manoj Kr. Rana*	100	0.19	01-04-2022	NIL	NIL	100	0.19
		100	0.19	31-03-2023				

***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				
i) Principal Amount	9,52,00,000	2,92,15,196		12,44,15,196
ii) Interest due but not paid				
iii) Interest accrued but not due	23,474	27,42,138		27,65,612
Total (i+ii+iii)	9,52,23,474	3,19,57,334		12,71,80,808
Change in Indebtedness during the financial year				
* Addition	85,86,566	3,59,93,431		4,45,79,997
* Reduction	(68,49,492)	(6,09,93,535)		(6,78,43,027)
Net Change	17,37,074	(2,50,00,104)		(2,32,63,030)
Indebtedness at the end of the financial year				
i) Principal Amount	9,52,00,000	68,05,849		10,20,05,849
ii) Interest due but not paid				
iii) Interest accrued but not due	17,60,548	1,51,381		19,11,929
Total (i+ii+iii)	**9,69,60,548**	**69,57,230**		**10,39,17,778**

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	**NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY MD/WTD/MANAGER.**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

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 (in Lacs)	89.25	58.44	82.04	229.73
	(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 (in Lacs)	**89.25**	**58.44**	**82.04**	**229.73**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2023.

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

Place: New Delhi
Date: 04.09.2023

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2022-23

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 of Committee/Nature of Directorship PFCCL/ PFC
1.	Smt. Parminder Chopra	Chairperson/Chairperson/Chairman and Managing Director, PFC
2.	Shri Rajiv Ranjan Jha	Member/ Director/Director (Projects), PFC
3.	Shri Manoj Sharma	Member/ Director/Director (Commercials), PFC
4.	Shri R. S. Dhillon*	Chairman/Chairman/CMD, PFC

*Ceased to be a Chairman/CMD, PFC w.e.f. 13.09.2022.

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	2019-20	78,68,74,269/-
2	2020-21	37,75,92,011 /-
3	2021-22	52,95,02,152/-
Total		**1,69,39,68,432/-**
Average of above three FYs		**56,46,56,144/-**
2% of the average consolidated PBT		**1,12,93,123/-**
2% of the average consolidated PBT excluding dividend received from other companies		**1,12,93,123/-**

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 ₹ 1,12,93,123/- (Rupees One Crore Twelve Lakh Ninety Three Thousand One Hundred and Twenty Three Only).

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

a) Details of CSR amount spent against ongoing projects for the financial year:

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 allocated for the project	Amount spent on the project in current financial year	Mode of Implementation – Through Implementing Agency Name
1	PM CARES FUND	Prime Ministers National Relief Fund	Pan India	Rs. 1,12,93,123/-	Rs. 1,12,93,123/-	Govt. of India

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s):

S No.	Financial Year	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 allocated for the project	Amount spent on the project in current financial year : (1)Direct (2) Overheads	Cumulative expenditure up to the reporting period	Mode of Implementation – Through Implementing Agency Name
1	FY 2020-21	Training, research and Entrepreneurship, Development in Smart Grid through Indian Institute of Technology, Kanpur (IITK).	Promoting Education & employment enhancing vocational skills	Pan India	Rs. 1,04,56,445/-	(1) Rs. 31,36,934/- (2) Nil	Rs. 62,73,868/-	Indian Institute of Kanpur

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.

Sd/-
(Manoj Kr. Rana)
CEO, PFCCL

Sd/-
(Parminder Chopra)
Chairperson, CSR Committee

Annexure IV

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

For and on behalf of the Board of Directors

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company PFC Consulting Limited (PFCCL) is pleased to present its Report on Industry scenario including Company's performance during the FY 2022-23.

Industry Structure and Developments

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 416.0 GW, as of March 2023 with capacity addition of close to 17 GW in FY 2022-23. Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

Your Company is engaged in providing consultancy services in power and other allied sector. 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

STRENGTHS

PFCCL leverages its strength from its parent organisation PFC which is major financial institution in power sector and has pan-India reach. PFCCL performs key roles in various Government of India initiatives like implementation of RDSS Scheme, Privatization of Union Territories, Independent Transmission Projects (ITPs), Department of Energy & Environmental Protection (DEEP), Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators (PRAAPTI), Ultra Mega Power Projects (UMPP), Scheme to Harness and Allocate Koyla Transparently in India (SHAKTI), and formulation of Standard Bidding Documents (SBD) etc., all of this provides PFCCL an in-depth understanding of issues in the power sector. This experience has created a strong niche for PFCCL 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 Power, Coal, Forest, Environment, Railways and Finance etc.

OPPORTUNITIES

As India is transforming the power sector, wherein it is making energy transition from fossil fuel to non-fossil fuel, traditional to non- traditional distribution system, strengthening of the system, numerous opportunities (few listed below) are emerging for PFCCL to tap over:

Smart Metering: Implementation of Smart Metering is a Major component of the current flagship RDSS Scheme of Ministry of Power, with about 25 Crore Smart Meters to be installed. PFCCL has successfully installed and integrated more than 1.5 lac smart meters in the state of Himachal Pradesh and is leveraging the experience to bag new projects in future.

Revamped Distribution Sector Scheme (RDSS): PFCCL has undertaken works for a lot of DISCOMs under the RDSS Scheme, as reproduced below:

1. Uttarakhand Power Corporation Ltd.
2. Andhra Pradesh Eastern Power Distribution Co. Ltd.

3. Andhra Pradesh Central Power Distribution Co. Ltd.
4. Andhra Pradesh Southern Power Distribution Co. Ltd.
5. Power Department, Govt. of Sikkim (Loss Reduction Works & Smart Metering Works)
6. West Bengal State Electricity Distribution Co. Ltd.
7. Manipur State Power Distribution Company Limited
8. Electricity Department, Govt. of Puducherry (Smart Metering Works)

Further, PFCCL is tapping PMA (Project Management Agency) / PIA (Project Implementation Agency) business opportunities in various states based on the above experience.

Software Solutions: PFCCL has provided its Energy Portfolio Management (EPM) Services to the state of Bihar and Madhya Pradesh. Leveraging the experience of EPM PFCCL is exploring to develop a unified system and provide tailor made EPM solution to the DISCOMs.

Manufacturing Zones: PFCCL is providing its services to select state for development and implementation of manufacturing zone. It provides PFCCL an opportunity to provide its services for development and implementation of project.

Renewable Energy (RE) Bundling: MoP has nominated PFCCL as one of the Bid Process Coordinator for the Revised Scheme for flexibility in Generation and Scheduling of Thermal/ Hydro Power Stations through bundling with Renewable Energy and Storage Power. The revised scheme comprehensively covers the replacement of both thermal and hydropower with renewable energy established in combination with battery energy storage systems or otherwise. PFCCL is soliciting business from the GENCOsn for the same.

Battery Energy Storage System (BESS): PFCCL is expected to act as one of the Bid Process Coordinators for implementation of Viability Gap Funding for development of Battery Energy Storage Systems.

WEAKNESSES & THREATS:

Every business has some inherent risk and its management's responsibility to identify the risk in view of its operations and taking proactive measures to handle them. Few of them are listed below:

a. PFCCL had been focusing on sector-specific consultancy services leading to narrow spectrum of consultancy business.
b. 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.
c. Dependence on outside agency for manpower
d. Few developmental schemes require investment of the funds which is not supported by Discoms and being consulting organization the opportunities are limited.

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.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Company's main business is to provide Consultancy Services and the Company does not have any separate reportable segment. Major services provided by the Company are listed below:

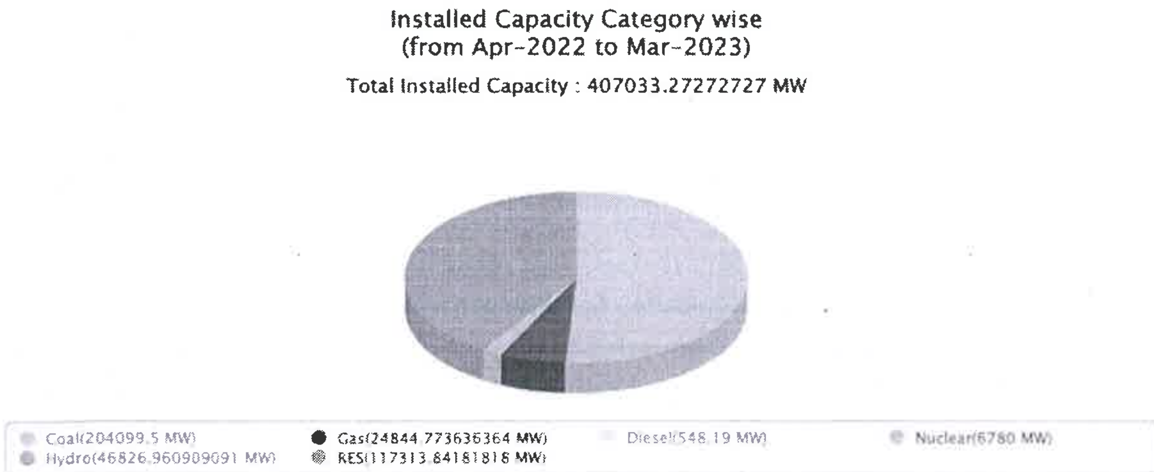
a) **Smart Solutions:** Smart solutions to improve performance & processes, productivity & pro-active planning
b) **Transaction Advisory:** End-to-End solutions for project based implementation across different areas of power sector
c) **Project Development:** Project Development & implementation of various GoI initiatives
d) **PMA/PMC:** Project management & change agents focusing on revamped solutions & aiming for loss reduction
e) **Policy formulation support:** Support to Government/ Regulators for formulation of Policies, Regulatory framework and Guidelines & SBDs
f) **Other Services:** Strategy, Tariff Support, fund mobilization and other aspects of power sector

OUTLOOK ON POWER SECTOR

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances and manpower).

A. Generation:

As on March 31, 2023, India's total installed capacity was 4,07,033.27 MW. The installed capacity stood at around 25.78% (104921.48 MW) in state sector, around 49.86% (202935.04 MW) in private sector and around 24.37% (99,176.74 MW) in central sector. Thermal sources continued to have a dominant share at around 57.31%, Hydro around 11.69%, Renewable around 29.30% and Nuclear around 1.69%.



The Overall generation (Including generation from grid connected renewable sources) in the country has been increased from 1110.458 BU during 2014-15 to 1173.603 BU during the year 2015-16, 1241.689 BU during 2016-17, 1308.146 BU during 2017-18, 1376.095 BU during 2018-19, 1389.121 BU during 2019-20, 1381.855 BU during 2020-21, 1491.859 BU during 2021-22 and 1,624.158 during 2022-23.

The performance of Category wise generation during the year 2022-23 was as follows:-

Thermal	Increased by	8.21 %
Nuclear	Increased by	2.66 %
Hydro	Increased by	6.91 %
Bhutan Import	Reduced by	10.02 %
Solar Wind & Other RES	Increased by	19.10 %
Overall Generation	**Increased by**	**8.89 %**

B. Transmission:

Transmission system establishes the link between source of generation on one side and distribution system, which is connected to load / ultimate consumer, on the other side. The transmission systems are planned and implemented for evacuation of power from Generating stations, strengthening of existing transmission network for meeting projected growth in load / demand and Optimum utilization of distributed generation resources in different regions.

The Transmission Systems that are in place in the country consist of Inter-State Transmission System (ISTS) and Intra State Transmission System (Intra-STS). Transmission planning is a continuous process of identification of transmission system addition requirements, their timing and need. The transmission requirements could arise from a) new generation additions in the system b) increase in demand c) System strengthening that may become necessary to achieve reliability as per the planning criteria under change load generation scenario.

During FY 2022-23, 14,625 Ckms of transmission line were achieved as compared to 14,895 Ckms in FY 2021-22.

Your company is playing an important role as a Bid Process Co-ordinator (BPC) for selection of bidder for development of transmission lines.

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. 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.

Government of India is supporting states for strengthening distribution system necessary for providing 24x7 power supply to all households through various schemes like Integrated Power Development Scheme (IPDS) for development of urban distribution sector, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) an integrated scheme for covering all aspects of rural power distribution, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme which aims to achieve universal household electrification covering every village and every district in the country, Ujwal DISCOM Assurance Yojana (UDAY) for financial turnaround of Power Distribution Companies. Also, Government of India has launched Revamped Distribution

Sector Scheme (RDSS) to improve the operational efficiencies and financial sustainability of DISCOMs.

Revamped Distribution Sector Scheme (RDSS)
A Reforms-based and Results-linked, Distribution Sector Scheme has been formulated by Ministry of Power to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs for upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

The objectives of the Scheme are to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector; Reduce AT&C losses to pan-India levels of 12-15% by 2024-25 and Reduce ACS-ARR gap to zero by 2024-25. PFC and REC Limited (PFC's subsidiary) are the designated nodal agencies for operationalization of the said scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26).

RDSS has an outlay of Rs.3,03,758 crores with an estimated gross budgetary support from Central Government of Rs.97,631 crores.

Your company is assisting various DISCOMs in preparation of Action plan & Detailed Project report, also helping DISCOMs as Project Management Agency (PMA) & Project Implementation Agency (PIA).

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 increased from ₹9,110 Lakh to ₹13,966 Lakh showing increase of 53.30% from the previous year. The main reason for increase in income is transfer/award of Independent Transmission Projects to successful developers, revenue from RDSS projects and starting of revenue recognition from smart meter project. During the FY 2022-23 7 (Seven) ITPs were transferred as compared to 5 (Five) transferred/awarded in FY 2021-22. Also, the income from consultancy assignments (other than from fee on transfer of ITPs and manpower charges) increased to ₹4,699 Lakh from ₹2,541 Lakh.

During the year, the Company has earned other income of ₹596.06 Lakh as compared to ₹660.40 lakh of previous year.

The Board of Directors have recommended final dividend of approx. @6,717.28 (Rupees Six Thousand Seven Hundred Seventeen and Twenty Eight Paise Only) per equity share (on the face value of Rs. 10/- each), subject to the approval of Shareholders of the company in this Annual General Meeting for the FY 2022-23.

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.

PFCCL avails the services of experienced professional on fixed contract basis to provide services to the client across the country. Further, for operational convenience and managing day to day affairs company has engaged graduates and professionals on contract basis through manpower agency.

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 equipment has been made. Further, no specific efforts have been taken towards technology absorption.

During the FY 2022-23, there is no income or outgo of foreign exchange earnings.

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. As per Company Act 2013, at least 2% of the average Net Profits of the Company made 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 2022-23, the budget of ₹112.93 Lakh was approved and the total amount was contributed to PM Cares Fund. Implementing agency of PM Cares fund is 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

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

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, 2023 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, 2023 was as follows:

SI. No.	Name	Category	Designation
(i)	Shri R. S. Dhillon*	Non-Executive Director	Chairman
(ii)	Smt. Parminder Chopra#	Non-Executive Director	Director
(iii)	Shri Rajiv Ranjan Jha	Non-Executive Director	Director
(iv)	Shri Manoj Sharma	Non-Executive Director	Director

* Ceased to be Chairman w.e.f. 31.05.2023;
# Chairperson w.e.f. 01.06.2023

b) NUMBER OF BOARD MEETINGS

Six (6) Board meetings were held during the financial year 2022-23 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	20th May, 2022	03	03
2	13th September, 2022	04	04
3	22nd September, 2022	04	04
4	03rd December, 2022	04	03
5	10th March, 2023	04	04
6	28th March, 2023	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.

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 29th September, 2022 are as given below:-

Name & Designation	No. of other Directorships as on March 31, 2023	Membership in the committees of other companies as on March 31, 2023*		Attendance at the last AGM held on 29th September, 2022
		Member	Chairman	
Shri R. S. Dhillon Chairman (Cease to be a Chairman w.e.f. 31.05.2023)	01	-	-	Present
Smt. Parminder Chopra, Director	08	3	-	Present
Shri R. R. Jha, Director	02	2	-	Present
Shri Manoj Sharma, Director	03	-	-	Present

*Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholder's/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.
- 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 annual basis.

e) CODE OF CONDUCT

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

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at Annexure I of this 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, 2023 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, 2023 the Committee comprised of the following members:

1. Smt. Parminder Chopra : Member & Chairperson
2. Shri Rajiv Ranjan Jha : Member
3. Shri Manoj Sharma : Member

The Committee met one (1) time during the FY 2022-23, on the following dates:

Sl. No.	Date of Meeting	Committee Strength	No. of Member present
1	27th March, 2023	03	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
1	12th	Thursday 31st December, 2020 & 03.50 P.M.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
2	13th	Tuesday 30th November, 2021 & 02:55 PM	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001.	-
3	14th	Thursday 29th September, 2022 & 05:30 PM	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001.	1

5. SUBSIDIARY COMPANIES

As on 20th July, 2023, the Company has following Sixteen (16) wholly owned subsidiaries:

- Bijawar-Vidarbha Transmission Limited (under process of strike off)
- Anantpuram Kurnool Transmission Limited
- Chhatarpur Transmission Limited
- Fatehgarh III Beawar Transmission Limited
- Beawar Dausa Transmission Limited
- Siot Transmission Limited
- Fatehgarh III Transmission Limited
- Bhadla III Transmission Limited
- Fatehgarh IV Transmission Limited
- Tirwa Transmission Limited
- Bikaner III Neemrana Transmission Limited
- Neemrana II Kotputli Transmission Limited
- Bikaner III Neemrana II Transmission Limited
- Neemrana II Bareilly Transmission Limited
- Joda Barbil Transmission Limited
- Jewar Transmission Limited

6. AUDITOR'S QUALIFICATION

M/s. KPMC & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2022-23 by the Comptroller & Auditor General of India.

The Statutory Auditors have audited the accounts of the Company for the FY 2022-23 and have given their report without any qualification, reservation, adverse remark or disclaimer.

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 Holding 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 2022-23 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 within stipulated time. *Except Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSE) in regard to which various letters seeking exemption w.r.t Buy-back of Shares, Splitting of Shares and Issue of Bonus Shares were sent to MoP from time to time. Now, MoP vide its letter dated 02.08.2023 has communicated that PFCCL will have to comply with the said guidelines and accordingly, further course of action on the same is being discussed. Further, compliance w.r.t Distribution of Dividend as required under the said guidelines is being done since financial year 2016-17.*

(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.

Annexure-I

DECLARATION AS REQUIRED UNDER DPE'S GUIDELINES ON CORPORATE GOVERNANCE

All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2023.

Sd/-
(Parminder Chopra)
Chairperson
DIN: 08530587

KPMC & ASSOCIATES

Chartered Accountants

C-1, Ist Floor, RDC, Raj Nagar, Ghaziabad (NCR) - 201002 Tele: 0120-4119416

Email: mail@kpmc.in Web: www.kpmc.in

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 accompanying standalone financial statements of **PFC Consulting Limited** (hereinafter referred to as the "Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and Cash Flow Statement for the year then ended and Notes to the standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) rule, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023 and its profit (including total comprehensive income), 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 Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion and analysis, Board's Report, but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also 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 judgement and maintain professional scepticism 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 the internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone financial statements 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 contents of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements representing the underlying transactions and events in a manner that achieves fair representation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that: -

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 standalone Balance Sheet, the standalone Statement of Profit and Loss including other comprehensive income, standalone Statement of Changes in equity and the standalone Cash Flow statement dealt with by this Report are in agreement with the 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 relevant rules.

e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government 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 "B"**.

g) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.

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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements.

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.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the company is in accordance with section 123 of the Companies Act 2013.

vi. In respect of opinion on whether the company has the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention, as proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2023 refer to our separate Report in **Annexure "C".**

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAH1432

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Annexure referred to in Paragraph "1" under our 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of PFC Consulting Limited on the Standalone Financial Statements for the year ended 31st March 2023.

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

(B) The Company has maintained proper records showing full particulars of intangible assets. However, the year-end carrying value of intangible asset is NIL.

(b) The Company has a program of verification of Property, Plant and Equipment to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancy has been noticed on such physical verification.

(c) According to information and explanations given to us, company does not own any immovable property.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not hold any inventories. Therefore reporting under clause 3(ii)(a) of the Order is not applicable to the company.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets, hence reporting under clause 3(ii)(b) of the Order is not applicable to the company.

(iii) During the year the company has made investments in and granted loans or advances in the nature of loans (unsecured), to its subsidiary/associate companies. The company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

In respect of loans or advances in the nature of loans granted:

(a) During the year the company has provided loans or provided advances in the nature of loans. in this respect:

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to associate/subsidiaries is Rs.1557.32 lakhs and Rs.1215.49 lakhs respectively.

(B) The Company has not granted loans or advances and guarantees or security to parties other than subsidiary/associate.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated (i.e., at the time of transfer of associate/subsidiary company to the successful bidder) and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act in respect of loans advanced to subsidiary/associate companies and investments made in subsidiary/associate companies. The company has not given guarantee or provided any security to any other party covered under section 185 and 186 of the Act.

(v) Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit or amounts which are deemed to be deposits, hence reporting under clause 3(v) of the Order is not applicable.

(vi) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company, hence reporting under clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion

a). The company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us there are no arrears of outstanding statutory dues as on 31st March 2023 for a period of more than six months from the date they became payable.

b). In our opinion and according to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount Relates	Forum where dispute is pending	Remarks
Income Tax Act 1961	Tax Dues	2,65,73,019	FY 2016-17 (AY 2017-18)	Commissioner of Income Tax (Appeals)	Refer note 40 (c)(ii) of the financials
Income Tax Act 1961	Tax Dues	1,50,000	FY 2019-20 (AY 2020-21)	Commissioner of Income Tax (Appeals)	Refer note 40 (c)(ii) of the financials

(viii) In our opinion and according, to the information and explanations given to us, there were no transactions which have not been recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
(b) The company has not been declared a wilful defaulter by any bank or financial institution or other lender.
(c) The term loans obtained during the year from its holding company, had been applied for the purpose for which the loans were obtained.
(d) The company during the year has not raised funds on short term basis.
(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries/associates.
(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries/ associate companies.

(x) (a)The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year, hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year, hence reporting under clause 3(xi)(a) of the Order is not applicable.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) according to the information and explanations given to us, the company has not received any whistle blower complaints during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with him, hence reporting requirements for compliance of provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a)In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) For the year, the Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

(xxi) In our opinion and explanation provide to us, the company is including the financial statements of 8 subsidiary/associate companies to prepare its consolidated financial statements. As on the reporting date we have received CARO report of all the 8 subsidiary/associate companies which do not have any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of such subsidiary/associate companies.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAH1482

Annexure "B" to the independent auditor's report of even date on the standalone financial statements of PFC Consulting Ltd.

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 March 31, 2023, 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.

Auditors' 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 deemed to be 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 Institute of Chartered Accountants of India. 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 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.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2023 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.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAH1482

Annexure "C" to the independent auditor's report of even date on the standalone financial statements of PFC Consulting Limited.

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts for the year 2022-23 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

S No.	Directions	Reply
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.	The company has a system in place to process all the accounting transactions through IT system. Based on the test check verification carried out by us during the course of our audit and based on the information and explanation given to us we have not come across any instance having material 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	There was no restructuring of any 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.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on our audit procedures carried out and as per the information and explanations given to us, there were no funds received/receivable for specific schemes from central/ state government or its agencies during the year.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAH1482

<u>**Compliance Certificate**</u>

We have conducted the audit of annual accounts of **PFC Consulting Limited** for the year ended 31st March, 2023 in accordance with the directions/sub-directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/ Sub-directions issued to us.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAH1482

KPMC & ASSOCIATES
Chartered Accountants
C-1, Ist Floor, RDC, Raj Nagar, Ghaziabad (NCR) - 201002 Tele: 0120-4119416
Email: mail@kpmc.in Web: www.kpmc.in

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 "PFCCL/the Holding Company/Company") and its associates (the company and its 8 associates together referred as "the group"), which comprise consolidated Balance Sheet as at 31st March 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity, and consolidated Cash Flow Statement for the year then ended, and Notes to the consolidated financial statements, including a summary of 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) rule, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March 2023 and its profit (including total comprehensive income), change 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 Companies Act, 2013. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion and analysis, Board's Report, but does not include the consolidated financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the, Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 in preparing the Consolidated financial statements, the respective Board of Directors of the companies included the in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

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.

A

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated financial statements 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements representing the underlying transactions and events in a manner that achieves fair representation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of 8 associates whose financial statements/financial information reflects total assets of Rs. 1236.72 Lakhs, total revenue Rs. NIL and Net cash flow amounting to Rs. 6.00 Lakhs for the year ended on that date. As these companies have been treated as associates for the purpose of consolidation, they are consolidated based on equity method, these figures are not reflected in the consolidated financial statements.

These financial statements / 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.

Reference is invited to Note no. 53 regarding consolidation of these wholly owned subsidiaries of the company having been treated as associates for the purpose of consolidation and consolidated on Equity method whereby net profit or loss of the subsidiaries is adjusted in the carrying amount of investments.

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.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the 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 (including other comprehensive income), consolidated Statement of Changes in equity and the consolidated Cash Flow statement dealt with by this Report are in agreement with the books of account and records 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 relevant rules.

(e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government 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 "A"**.

(g) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.

(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 has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 40 to the consolidated financial statements.

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.

iv. (a) The Management has represented that, to the best of its knowledge and belief , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the company is in accordance with section 123 of the Companies Act 2013.

vi. In respect of opinion on whether the company has the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention, as proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

Anagh

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGEAI7432

Annexure "A" to the independent auditor's report of even date on the consolidated financial statements of PFC Consulting Ltd.

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended on 31st March 2023, we have audited the internal financial controls over financial reporting of **PFC Consulting Limited** (hereinafter referred to as "the Company") and its 8 associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and associate companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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.

Auditors' 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 deemed to be 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 Institute of Chartered Accountants of India. 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 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 auditor in terms of their reports 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, to the best of our information and according to the explanations given to us, the Company and its associate companies 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 March 31, 2023 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.

Other matters

Our aforesaid reports under section 143(3)(i) of the Act, on the internal financial controls with reference to consolidated financial statements in so far as it relates to eight associate companies is based on the corresponding report of the auditors of such company.

For **K P M C & Associates**
Chartered Accountants
FRN: 005359C

Anagh

CA. Anagh Gupta
(Partner)
Membership No. 418781

Place: New Delhi
Date: 22nd May 2023
UDIN: 23418781BGXEAI7432

DGA(E)/REP/01-105/AC-PFCCL/SFS/2023-24/ 953506

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

सत्यमेव जयते

आज़ादी का अमृत महोत्सव

Dated: 20/7/23.

सेवा में,

अध्यक्ष,
पीएफसी कंसल्टिंग लिमिटेड,
नई दिल्ली।

विषय:- 31 मार्च 2023 को समाप्त वर्ष के लिए पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

संजय कुमार झा

(संजय कु. झा)
महानिदेशक

पांचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी. बिल्डिंग, एनैक्सी, 10, बहादुर शाह जफर मार्ग, नई दिल्ली–110002
5th, 6th, 7th & 10th Floor, C.A.G. Building Annexe, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel. 011-23239213, 23239235, Fax: 011-23239211, Email: pdaenergydl@cag.gov.in

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 2023

The preparation of financial statements of PFC Consulting Limited for the year ended 31 March 2023 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 22 May 2023.

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 2023 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 auditor's report under section 143(6)(b) of the Act.

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

Sanjay K. Jha
Director General of Audit (Energy)

Place: New Delhi
Dated: 20/07/2023

DG A(E)/REP/01-186/AC-PFCCL-CFS/2023-24/
953537

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

आज़ादी का अमृत महोत्सव

Dated: 20/7/23.

सेवा में

अध्यक्ष,
पीएफसी. कंसल्टिंग लिमिटेड,,
नई दिल्ली।

विषय:31 मार्च 2023 को समाप्त वर्ष के लिए पीफसी कंसल्टिंग लिमिटेड, नई दिल्ली के समेकित लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त वर्ष के समेकित लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) एवं धारा 129(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

संजय कुमार झा

(संजय कु. झा)
महानिदेशक

पांचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी. बिल्डिंग, एनैक्सी, 10, बहादुर शाह जफर मार्ग, नई दिल्ली–110002
5th, 6th, 7th & 10th Floor, C.A.G. Building Annexe, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel. 011-23239213, 23239235, Fax: 011-23239211, Email: pdaenergydl@cag.gov.in

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 2023

The preparation of consolidated financial statements of PFC Consulting Limited for the year ended 31 March 2023 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 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 22 May 2023.

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 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of PFC Consulting Limited and Ananthpuram Kurnool Transmission Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure I 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 auditor's report under section 143(6)(b) of the Act.

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

(Sanjay K. Jha)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 20/7/2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Balance Sheet as at 31 March 2023

(Rs. in lakh)

	Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
(I)	ASSETS			
(1)	Non-current assets			
	(a) Property, plant and equipment	2	5,588.97	139.11
	(b) Capital Work in Progress	3	793.91	4,728.61
	(c) Right of use assets	4	736.61	975.50
	(d) Other intangible assets	5	-	-
	(e) Financial assets			
	(i) Other financial assets	6	1,569.22	1,487.01
	(f) Deferred tax assets (net)	7	-	343.25
	(g) Other non-current assets	8	9.92	14.66
	Total non-current assets		**8,698.63**	**7,688.14**
(2)	Current assets			
	(a) Financial assets			
	(i) Investments	9	-	-
	(ii) Trade receivables	10	5,817.46	3,107.50
	(iii) Cash and cash equivalents	11	5,675.49	5,234.16
	(iv) Bank balances other than cash and cash equivalents	12	3,056.20	1,098.62
	(v) Loans	13	-	0.09
	(vi) Other financial assets	6	1,276.36	1,163.21
	(b) Current tax assets (net)	14	917.53	1,606.09
	(c) Other current assets	15	978.34	1,647.47
			17,721.38	**13,857.14**
(3)	Assets classified as held for sale	16	1,276.60	1,507.17
	Total assets classified as held for sale		**1,276.60**	**1,507.17**
	Total assets		**27,696.61**	**23,052.45**
(II)	EQUITY AND LIABILITIES			
(1)	**Equity**			
	(a) Equity share capital	17	5.22	5.22
	(b) Other equity	18	16,303.66	11,053.00
	Total equity		**16,308.88**	**11,058.22**
(2)	**Liabilities**			
(A)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	918.00	952.00
	(ii) Lease liabilities	20	593.10	818.23
	(b) Deferred tax liabilities (net)	7	83.54	-
	Total non-current liabilities		**1,594.64**	**1,770.23**
(B)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	121.18	319.80
	(ii) Lease liabilities	20	225.13	204.80
	(iii) Trade payables	21		
	(A) total outstanding dues of micro enterprises and small enterprises; and		66.63	110.68
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		996.90	1,297.62
	(iv) Other financial liabilities	22	7,503.63	7,699.47
	(b) Other current liabilities	23	595.37	203.39
	(c) Provisions	24	284.25	388.24
	Total current liabilities		**9,793.09**	**10,224.00**
	Total equity and liabilities		**27,696.61**	**23,052.45**

See accompanying notes from S No. 1 to 54 to the Standalone financial statements

For and on behalf of Board of Directors

(Sachin Arora)	**(Milind M.Dafade)**	**(Manoj Kumar Rana)**	**(Rajiv Ranjan Jha)**	**(Ravinder Singh Dhillon)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman
M.No.A26459			(DIN 03523954)	(DIN 00278074)

PFC CONSULTING LIMITED NEW DELHI

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anugh Gupta)
Partner
M. No. 418781

Place: - New Delhi
Date: - 22-5-2023

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 2023

(Rs. in lakh)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
	Income			
I.	Revenue from operations	25	13,302.79	8,513.76
II.	Other income	26	663.20	596.06
III.	**Total income (I+II)**		13,965.99	9,109.82
IV.	**Expenses**			
(a)	Consultancy services expense	27	1,962.95	1,256.55
(b)	Employee benefits expense	28	1,576.74	1,337.59
(c)	Finance Cost	29	156.68	97.83
(d)	Depreciation and amortisation expense	30	846.39	333.59
(e)	Corporate social responsibility expense	44	112.93	169.50
(f)	Other expenses	31	765.72	886.02
	Total expenses (IV)		5,421.41	4,081.08
V.	**Profit before tax (III-IV)**		8,544.58	5,028.74
VI.	**Tax expenses:**	35		
	Current tax		1,742.26	1,373.59
	Income tax adjustment for earlier years		(5.39)	0.62
	Deferred tax		426.78	(30.97)
	Total tax expenses (VI)		2,163.65	1,343.24
VII.	**Profit for the year (V-VI)**		**6,380.93**	**3,685.50**
VIII.	**Other comprehensive income**		-	-
IX.	**Total comprehensive income for the year (VII+VIII)**		**6,380.93**	**3,685.50**
X.	Earnings per equity share in Rs. : (face value Rs. 10/- each)			
	Basic	32	12,213.24	7,054.13
	Diluted		12,213.24	7,054.13

See accompanying notes from S.No. 1 to 54 to the Standalone financial statements

For and on behalf of Board of Directors

(Sachin Arora)
Company Secretary
M.No.A26459

(Milind M.Dafade)
Chief Finance Officer

(Manoj Kumar Rana)
Chief Executive Officer

(Rajiv Ranjan Jha)
Director
(DIN 03523954)

(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

PFC CONSULTING LIMITED NEW DELHI

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M.No. 418781

Place. - New Delhi
Date: - 29-05-2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Cash Flow Statement for the year ended 31 March 2023

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A.	Cash flow from operating activities		
	Profit before tax	8,544.58	5,028.74
	Adjustments for:		
	Depreciation and amortisation	846.39	333.59
	Interest income	(547.70)	(582.53)
	Provision for doubtful debts	28.53	184.22
	Interest Expense - Lease (Office Premises)	88.42	97.83
	Interest Expense Others	68.26	-
	Gain on modification/termination of Lease as per Ind AS 116	-	(6.36)
	Unwinding of discount on security deposit	(4.29)	(4.14)
	Loss on Property, Plant and Equipments written off	14.49	3.27
	Gain on sale of property, plant and equipment	(0.09)	-
	Provision written back- for expenses	(14.85)	(2.48)
	Operating profit before working capital changes	**9,023.75**	**5,052.15**
	Adjustments for changes in working capital :		
	- Increase/(decrease) in trade payables	(329.92)	368.77
	- Increase/(decrease) in current provisions	(103.99)	(60.12)
	- Increase/(decrease) in other current liabilities	391.98	(23.81)
	- Increase/(decrease) in other current financial liabilities	(195.84)	5,250.97
	- (Increase)/decrease in trade receivables	(2,738.48)	(513.46)
	- (Increase)/decrease in current loans	0.09	-
	- (Increase)/decrease in other current financial assets	10.18	(149.51)
	- (Increase)/decrease in other current assets	709.73	(1,257.40)
	- (Increase)/decrease in other non current assets	9.03	(10.52)
	- (Increase)/decrease in assets and liabilities held for sale	160.95	400.13
	Cash generated from / (used in) operating activities	**6,937.48**	**9,057.20**
	Income taxes paid (net of refunds)	(1,048.31)	(1,671.84)
	Net cash generated from / (used in) operating activities	5,889.17	7,385.36
B.	**Cash flow from investing activities:**		
	Addition in property, plant and equipment and CWIP	(2,128.84)	(4,869.40)
	Increase/(decrease) in other non current financial Assets	(82.21)	119.51
	Increase/(decrease) in other Bank Balances	(1,957.58)	(432.70)
	Proceeds from sale of property, plant and equipment	9.38	14.13
	Interest received	493.99	509.67
	Net cash generated from/ (used in) Investing activities	(3,665.26)	(4,658.79)
C.	**Cash flow from financing activities:**		
	Dividend paid	(1,130.27)	(1,354.92)
	Proceeds from long term borrowings	-	952.00
	Proceeds from short term borrowings	319.33	100.12
	Repayment of short term borrowings	(543.42)	-
	Payment of lease liability	(293.22)	(293.23)
	Interest paid	(135.00)	-
	Net cash generated from/ (used in) financing activities	(1,782.58)	**(596.04)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**441.33**	**2,130.53**
	Cash and cash equivalents at the beginning of the year	5,234.16	3,103.63
	Cash and cash equivalents at the end of the year (refer note 11)	5,675.49	**5,234.16**
	Cash and cash equivalents comprises :		
	Balance with banks		
	- in current accounts	2.34	6.76
	- in deposit accounts with original maturity upto 3 months	5,673.15	5,227.40
		5,675.49	5,234.16

See accompanying notes from S.No. 1 to 54 to the Standalone financial statements

For and on behalf of Board of Directors

(Sachin Arora)
Company Secretary
M.No.A26459

(Milind M.Dafade)
Chief Finance Officer

(Manoj Kumar Rana)
Chief Executive Officer

(Rajiv Ranjan Jha)
Director
(DIN 03523954)

(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

PFC CONSULTING LIMITED NEW DELHI

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M. No. 418781

Place: - New Delhi
Date: - 22-05-2023

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 2023

A. Equity share capital

(1) Current reporting period (FY 2022-23)

(Rs. in lakh)

Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in equity share capital during the current year	Balance at the 31 March 2023
5.22	-	5.22	-	5.22

(2) Previous reporting period (FY 2021-22)

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in equity share capital during the Previous year	Balance at the 31 March 2022
5.22	-	5.22	-	5.22

B. Other Equity

(1) Current reporting period (FY 2022-23)

Particulars	Reserves and Surplus		Total
	Capital Reserves	Retained earnings	
Balance as at 1st April 2022	9.78	11,125.28	**11,135.06**
Changes in accounting policy or prior period errors	-	(82.06)	**(82.06)**
Restated balance as at 1st April 2022	9.78	11,043.22	**11,053.00**
Total Comprehensive Income for the current year	-	6,380.93	**6,380.93**
Dividends	-	(1,130.27)	**(1,130.27)**
Balance as at 31 March 2023	**9.78**	**16,293.88**	**16,303.66**

(1) Previous reporting period (FY 2021-22)

Particulars	Reserves and Surplus		Total
	Capital Reserves	Retained earnings	
Balance as at 1st April 2021	9.78	8,712.64	8,722.42
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 1st April 2021	9.78	8,712.64	8,722.42
Total Comprehensive Income for the current year	-	3,685.50	3,685.50
Dividends	-	(1,354.92)	(1,354.92)
Balance as at 31 March 2022	**9.78**	**11,043.22**	**11,053.00**

See accompanying notes from S No. 1 to 54 to the Standalone financial statements

For and on behalf of Board of Directors

(Sachin Arora)
Company Secretary
M.No.A26459

(Milind M.Dafade)
Chief Finance Officer

(Manoj Kumar Rana)
Chief Executive Officer

(Rajiv Ranjan Jha)
Director
(DIN 03523954)

(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

PFC CONSULTING LIMITED NEW DELHI

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M. No. 418781

Place: - New Delhi
Date: - 22-05-2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Notes to the Standalone Financial Statements for the year ending 31 March 2023

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 and the corporate office of the company is located at 9th Floor, Statesman House, 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) These standalone financial statements of the company comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent applicable.

ii) These standalone financial statements were approved by Board of Directors (BoD) on 22nd May 2023.

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 company 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 otherwise 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 value of trade receivables and provision of ECL thereon and provision 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.

(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. Income from Smart Metering services are recognised when bills for meter rent is raised to the clients and right to receive such income is established. Income from project development management agency charges (PDMA) during project implementation period is recognised over the period of contract. Income from assignments undertaken as per the instructions of Ministry of Power, GoI (UT privatisation) is recognised when right to receive income is established by way of written confirmation from MoP.

(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) Income from sale of bidding documents i.e. Request for proposal (RFP), Request for qualification (RFQ) etc. for Independent Transmission Projects (ITPs), Ultra Mega Power Project (UMPPs) etc. 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 lakh.

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. 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. Capital expenditure directly attributable for Smart metering project are initially shown in capital work in progress (net of contribution received from client) and capitalised as PPE when it is ready for use after its testing. Depreciation on items of PPE in smart metering project is recognised on pro-rata basis on Straight Line Method over the useful life of assets not exceeding project implementation period of 99 months

PFC CONSULTING LIMITED NEW DELHI

iv. 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.

v. 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.

vi. 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.

vii. Items of PPE costing up to Rs. 5000/- each are fully depreciated, in the year of purchase.

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 company are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and sale is considered highly probable. These are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non- Current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Investment in equity shares of associates which are not categorised as assets held for sale 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 earlier 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.

ix) Employee Benefits

(i) Leave Encashment, Provident Fund, Pension benefits, Gratuity and other post retirement benefits

The employees of the Company are on Secondment from the Holding Company (Power Finance Corporation 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, 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.

As per the amended arrangement with the holding company during the year, in respect of the employees deployed by holding company on secondment basis, the company is paying manpower charges to its holding company for the services rendered by these employees to the company. Such manpower charges are being charged on monthly basis on the basis of actual employee cost, alongwith with future liability of Provident Fund, Gratuity, Superannuation and Post-retirement benefit etc. With paying above charges company owes nothing to its holding company for any future liabilities whatsoever of such seconded employees. The company recognize such expenses in the statement of profit & loss.

(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.

PFC CONSULTING LIMITED
NEW DELHI

(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 Errors

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

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

The Company at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether (a) the company has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the company has the right to direct the use of the identified asset.

The company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets (RoU) are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset (RoU) if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Statement of Profit & Loss. Lease payments have been classified as Cash flow used in financing activities.

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 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.

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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 upto 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.

xviii) Borrowing costs

Borrowing Costs that are attributable to the acquisition, construction of property, plant and equipment which take substantial period of time to get ready for its intended use are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Borrowing cost incurred for the projects for clients which are subsequently recoverable from clients are shown as part of such receivable and shown as recovered as and when the same is received from the clients. Other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

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xix) **Operating Segments**

In accordance with Ind AS 108 'Operating segments', the operating segments used to present segment information are identified on the basis of management's assessment to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance costs, income tax expenses and corporate income that are not directly attributable to segments.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, Capital Wok in Progress and intangible assets.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, advances for capital expenditures, trade and other receivables and other assets that can be directly or reasonably allocated to segments. Unallocated assets comprise common PPE, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payable, payable for capital expenditure and other payables etc. Unallocated liabilities comprise equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

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2 Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Plant & Machinery (Smart metering)	Leasehold Improvements	Total
Gross Block						
As at 1 April, 2021	121.40	124.90	105.80	-	165.65	517.75
Additions	33.03	37.93	70.07	-	-	141.03
Deductions/Adjustment	14.26	26.56	43.51	-	-	84.33
As at 31 March 2022	140.17	136.27	132.36	-	165.65	574.44
Additions	49.54	29.93	59.68	5,942.00	-	6,081.14
Deductions/Adjustment	18.25	16.99	37.43	-	-	72.66
As at 31 March 2023	171.46	149.21	154.61	5,942.00	165.65	6,582.92
Accumulated Depreciation						
As at 1 April, 2021	103.79	77.13	74.80	-	153.22	408.93
Charge for the year	20.95	21.89	38.07	-	12.43	93.33
Deductions/Adjustment	11.03	19.79	36.12	-	-	66.93
As at 31 March 2022	113.71	79.23	76.75	-	165.65	435.33
Charge for the year	32.73	18.64	40.61	515.52	-	607.49
Deductions/Adjustment	13.19	9.44	26.25	-	-	48.88
As at 31 March 2023	133.25	88.43	91.11	515.52	165.65	993.94
Net Block						
As at 31 March 2023	38.21	60.78	63.50	5,426.48	-	5,588.97
As at 31 March 2022	26.46	57.04	55.61	-	-	139.11

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.

3 **Capital Work in Progress**

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Smart Metering project:		
Opening Balance	4,728.61	-
Additions during the year	2,007.30	4,728.61
	6,735.91	4,728.61
Less: Capitalized during the year	5,942.00	-
Closing Balance	793.91	4,728.61

3.1 The Company has been awarded the Smart metering project by HPSEB Ltd for installing, project implementation, O&M of these meters in Shimla & Dharamshala town of Himachal Pradesh. As per terms of Letter of award, total Capex is Rs. 8303 lakhs (excluding GST) out of which Rs. 1955 lakhs (excluding GST) has to be contributed by HPSEB Ltd and balance funds are required to be arranged by PFCCL. The capex cost alongwith interest and PDMA charges during O&M period will be paid by HPSEB Ltd by way of monthly meter rent. As on balance sheet date the company has incurred capital expenditure of Rs 6735.91 lakhs (previous year Rs.4728.61 lakhs) for acquisition of smart meters and related infrastructure (net of HPSEB Ltd contribution received). The amount capitalised during the year Rs 5942 lakhs (previous year Rs. NIL) has been transferred to PPE and remaining amount is appearing in CWIP. Balance of CWIP amount will be adjusted on receipt of remaining HPSEB Ltd contribution of Rs 430.12 lakhs as per contract terms in next financial year.

Borrowing Cost capitalised during the year in the carrying amount of PPE as per Ind AS-23 "Borrowing Costs" is Rs. 17.61 Lakhs (Previous year in CWIP Rs. 0.23 Lakhs)

3.2 CWIP ageing schedule:

(Rs. in lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2023					
Projects in progress	793.91	-	-	-	793.91
Projects temporarily suspended	-	-	-	-	-
Total	793.91	-	-	-	793.91
As on 31.03.2022					
Projects in progress	4,728.61	-	-	-	4,728.61
Projects temporarily suspended	-	-	-	-	-
Total	4,728.61	-	-	-	4,728.61

3.3 As on the date of the balance sheet, there is no capital work in progress projects whose completion is overdue or has exceeded the cost based on approval plan

4 **Right of Use Assets**

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease - Office Premises		
Opening Balance	975.50	63.40
Additions	-	1,194.48
	975.50	1,257.88
Less: Adjustment of Lease termination/modification	-	42.26
Less: Amortisation for the year	238.89	240.12
Closing Balance	736.61	975.50

- Refer Note 38- Leases

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5 Other Intangible assets

(Rs. in lakh)

Particulars	Amount
Computer software	
Gross Block	
As at 1 April 2021	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2022	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2023	**32.32**
Amortisation	
As at 1 April 2021	**32.18**
Charge for the year	0.14
Deductions/Adjustment	-
As at 31 March 2022	32.32
Charge for the year	-
Deductions/Adjustment	-
As at 31 March 2023	32.32
Net Block	
As at 31 March 2023	-
As at 31 March 2022	-

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(Rs. in lakh)

6 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
(a) Security deposit (Rent)	52.93	48.64
(b) Bank deposits with more than 12 months maturity (including accrued interest)*	1,516.29	1,438.37
Total	1,569.22	1,487.01

* includes Rs. 287.20 lakh (as at 31 March 2022 Rs. 256.15 lakh) held as margin money against the contract performance bank guarantees issued to clients and Rs. 44.93 lakhs (as at 31 March 2022 Rs. 74.72) in unspent CSR fund account.

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Advances (Unsecured, considered good)		
Advances to supplier/contractors	1.02	1.37
Advances to Employees	0.93	0.13
Total (a)	**1.95**	**1.49**
(b) Advances (Unsecured, credit impaired)		
Advances to supplier/contractors	36.10	36.10
Impairment allowance for doubtful advances	(36.10)	(36.10)
Total (b)	-	-
(c) Others (Unsecured, considered good)		
(i) Security deposit (Rent)	6.06	5.59
(ii) Earnest Money Deposits	46.96	-
(iii) Amount recoverable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest **	1,221.39	1,061.81
(iv) Amount receivable from PFC	-	94.32
Total (c)	**1,274.41**	**1,161.72**
Total (a+b+c)	**1,276.36**	**1,163.21**

** Amount recoverable of Rs. 1,221.39 lakhs (as at 31 March 2022 Rs. 1,061.81 lakhs) is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. Prior to financial year 2018-19, these receivables were paid by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19, this amount was 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.130.75 lakhs (previous year Rs.123.60 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.

- For disclosure of fair values in respect of financial assets measured at amortised cost Refer Note 37- "Financial instruments.

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7 Deferred Tax Assets / Liabilities (net)

(Rs. in lakh)

Particulars	As at 31 March 2023	31 March 2022
Deferred tax assets in relation to:		
Property, plant and equipment and other intangible assets	-	58.94
Provisions for bad and doubtful trade receivables	241.83	234.65
Provision for impairment in the value of investments	0.25	1.76
Provision for employee benefits	26.93	30.74
Provision for shortage in PPE	0.14	0.14
Lease expense impact under Ind AS 116	22.02	17.02
Deferred tax assets	**291.17**	**343.25**
Deferred tax liability in relation to:		
Property, plant and equipment and other intangible assets	(374.71)	-
Deferred tax liability	(374.71)	-
Deferred tax (liability) / assets (net)	**(83.54)**	**343.25**

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

(Rs. in lakh)

Particulars	As at 1 April 2022	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2023
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to				
Property, plant and equipment and other intangible assets	58.94	(433.65)	-	(374.71)
Provisions for bad and doubtful trade receivables	234.65	7.18	-	241.83
Provision for impairment in the value of investments	1.76	(1.51)	-	0.25
Provision for employee benefits	30.74	(3.81)	-	26.93
Provision for shortage in PPE	0.14	-	-	0.14
Lease expense impact under Ind AS 116	17.02	5.00	-	22.02
Total	**343.25**	**(426.79)**	-	**(83.54)**

8 Other non- current assets

(Rs. in lakh)

Particulars	As at 31 March 2023	31 March 2022
Unamortised security deposit (Rent)	9.92	14.66
Shortage in property, plant and equipment pending reconciliation	0.57	0.57
Less : Provision for loss of shortage in property, plant and equipment	(0.57)	(0.57)
Total	**9.92**	**14.66**

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9 Investments

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2023	As at 31 March 2022
Unquoted Equity Instruments - Current (fully paid up-unless otherwise stated, at cost)				
Associates under striking off				
Tanda Transmission Company Limited	As at 31st March 2023 NIL shares (31st March 2022, 50000 shares)	100%	-	5.00
Less : Impairment Allowance			-	(5.00)
Shongtong Karcham-Wangtoo Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Less : Impairment Allowance			-	(1.00)
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	1.00	1.00
Less : Impairment Allowance			(1.00)	(1.00)
Total investment carrying value			-	-
Aggregate amount of unquoted investments			**1.00**	**7.00**
Aggregate amount of impairment in the value of unquoted investments			(1.00)	(7.00)

Notes:

1 Two associates namely Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been striked off by the MCA during the year and therefore, the investment in these two companies have been written off with impairment allowance. Further, in respect of another associate namely Bijawar-Vidarbha Transmission Limited, application has been filed with MCA for striking off and the final entry for writing off investment with impairment allowance will be passed on approval by MCA.

2 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).

3 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.

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10 Trade Receivables

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Trade Receivables considered good - Unsecured	5,696.35	2,997.52
Trade Receivables - credit impaired-Unsecured	1,045.88	1,006.22
Total	6,742.23	4,003.74
Less: Allowance for credit impairment	(924.77)	(896.24)
Total	5,817.46	3,107.50

10.1 **Trade Receivables ageing schedule as at 31 March 2023:** (Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,777.48	572.15	44.78	309.44	992.50	5,696.35
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	242.23	57.30	746.35	1,045.88
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	3,777.48	572.15	287.01	366.74	1,738.85	6,742.23
Less:	Allowance for credit impairment	0.00	0.00	121.12	57.30	746.35	924.77
	Total Trade receivables	3777.48	572.15	165.89	309.44	992.50	5,817.46

10.2 **Trade Receivables ageing schedule as at 31 March 2022:** (Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	1,290.99	396.97	309.44	318.68	681.44	2,997.52
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	219.95	127.08	659.18	1,006.22
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	1,290.99	396.97	529.39	445.76	1,340.62	4,003.74
Less:	Allowance for credit impairment	0.00	0.00	109.98	127.08	659.18	896.24
	Total Trade receivables	1290.99	396.97	419.42	318.68	681.44	3,107.50

* Date of accounting entry in the books of accounts is considered as due date of payment

10.3 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 upto 2 years. Refer note 37 - Financial Instruments

10.4 Trade receivables include Rs. 1346.71 Lakhs (Rs. 1355.15 lakhs as at 31 March 2022) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC (Holding Company). Prior to financial year 2018-19, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 this amount was 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.

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11 Cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Balances with banks		
- Current accounts	2.34	6.76
(b) Deposits with banks with maturity upto 3 months (including autosweep deposits and accrued interest)	5,673.15	5,227.40
Total	5,675.49	**5,234.16**

12 Bank balances other than cash and cash equivalents

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest)	3,056.20	1,098.62
Total	**3,056.20**	**1,098.62**

13 Loans

(Rs. in lakh)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Loans to related parties (Unsecured, credit impaired)		
Loans to associates (ITPs) including accrued interest*	-	0.09
Less : Allowances for bad and doubtful loans	-	-
Total	-	**0.09**

* Recoverable from an associate (ITP) i.e. Bijawar-Vidarbha Transmission Limited for which application for striking off has been filed with MCA during the year.

Notes-

i) For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 37 - "Financial instruments".

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

iii) **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	As at 31 March 2023	As at 31 March 2022
Loans – Considered Good	-	0.09
Loans – Considered doubtful	-	-
Total	-	**0.09**

The ITP's are generally sold to bidders between a period of 12 to 18 months (refer note 16). However, sometimes the ITP's are denotified by the Ministry of Power and the loss is absorbed by the Company.

14 Current tax assets (Net)

(Rs. in lakh)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Advance income tax / tax deducted at source (TDS)	2,659.79	2,979.68
Less: Provision for Income Tax	(1,742.26)	(1,373.59)
Total	917.53	1,606.09

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(Rs. in lakh)

14.1 The year wise details of pending income tax refund upto FY 2021-22 is as under:

Financial Year	As at 31 March 2023	As at 31 March 2022
2008-09	13.12	13.12
2009-10	30.62	30.62
2012-13	24.73	24.73
2013-14	63.13	63.13
2015-16	19.27	19.27
2016-17	0.68	0.68
2017-18	105.79	105.79
2018-19	51.99	51.99
2019-20	93.38	566.45
2020-21	89.66	429.27
2021-22	327.35	300.34
FBT	0.70	0.70
Total	**820.42**	**1,606.09**

14.2 Above income tax refund claimed by company is unpaid by income tax department due to mismatch in tax credit data/technical reasons and therefore creating demands for some financial years which has subsequently adjusted by refunds. However these mismatch in tax credit data have now been corrected or explained and in view of the company all the refunds are legally tenable for which regular follow ups are being done with the department and therefore no provision for impairment is required in this regard.

15 Other current assets

(Rs. in lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Secured, considered good		
(a)	Advance to contractors/suppliers (secured against Bank Guarantees)	120.53	120.53
	Unsecured, considered good		
(a)	Advance to contractors/suppliers/others/prepaid amount	1.78	1.63
(b)	Unamortised Security Deposit (Rent)	4.74	4.74
(c)	Expenditure for UT Corporatisation/Privatisation (Note 15.1)	238.92	503.70
(d)	Recoverable from Government Authorities (GST ITC etc.)	612.37	1,016.87
	Total	**978.34**	**1,647.47**

15.1 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories (UT) has to be Corporatized/privatised. MoP through PFCL has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFCL has appointed PFCCL as the nodal agency for this work. The company has incurred expenditure on this project for which funding has been done by PFCL. The expenditure on this project alongwith interest is appearing in above Note 15 (net of expenditure transferred to consultancy service expenses as explained below) and amount funded by PFCL alongwith interest is appearing in Note 19 financial liabilities-borrowings. Interest rate on such funded amount is 9.5% p.a. MoP vide OM dated 20.07.2021 has issued a Revamped Reforms Based and Results Linked Distribution Sector Scheme (RDSS) and the consultancy support provided by MoP to UTs is to be funded out of this component. During the year, the company has received part of its dues including fees and has repaid PFCL borrowings to that extent. The bills so raised are recognised as revenue from consultancy and corresponding expenditure has been transferred to consultancy service expenses. Interest charged by PFCL is continued to be shown in balance sheet under note 15 above as the same is recoverable as on balance sheet date.

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16 Disposal Group

(Rs. in lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Assets classified as held for sale		
(a)	Investment (refer note - 16.5)	8.00	6.00
(b)	Loans to associates (ITPs) including accrued interest (refer note- 16.6)	1,215.49	1,398.74
(c)	Amount receivable from ITP under Incorporation (Note 16.4)	53.11	102.43
	Net Disposal group	1,276.60	1,507.17

Notes:

16.1 These entities are incorporated as per the guidelines of Ministry of Power (MoP), through bid process subscribed by ministry of power with a view to sell in near future. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with related assets and liabilities) has been considered as held for sale.

16.2 The above investment are managed as per the mandate from Government of India (GoI) and the company does not have practical ability to direct the relevant activities of these companies unilaterally. The Company therefore considers its investment in respective companies as Associates having significant influence despite the company holding 100% of their paid-up equity share capital.

16.3 The Investments in equity shares of associates which are not categorised as assets held for sale are shown under Note 9 "Investments".

16.4 During the financial year 2022-23 the company has incurred Rs. 53.11 lakhs (previous year Rs. 102.43 lakhs) on behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. These ITP companies have been/will be incorporated after balance sheet date of 31 March and the amount receivable have been transferred to respective ITP.

16.5 **Equity Investments Held for Sale**

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2023	As at 31 March 2022
Khetri-Narela Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Ananthpuram Kurnool Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	1.00	1.00
Bhadla Sikar Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Chhatarpur Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	1.00	1.00
Mohanlalganj Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Kishtwar Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Beawar Dausa Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Bhadla III Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh IV Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh III Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh-III Beawar Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
SIOT Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Total			**8.00**	**6.00**

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16.6 Loans to associates (ITPs) held for sale including accrued interest

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Khetri-Narela Transmission Limited	-	442.10
Ananthpuram Kurnool Transmission Limited	131.51	82.04
Bhadla Sikar Transmission Limited	-	435.75
Chhatarpur Transmission Limited	130.92	28.18
Mohanlalganj Transmission Limited	-	295.45
Kishtwar Transmission Limited	-	115.22
Beawar Dausa Transmission Limited	215.60	-
Bhadla III Transmission Limited	145.46	-
Fatehgarh IV Transmission Limited	120.28	-
Fatehgarh III Transmission Limited	126.86	-
Fatehgarh-III Beawar Transmission Limited	146.96	-
SIOT Transmission Limited	197.90	-
	1,215.49	**1,398.74**

Notes:

1 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.

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

3 Company spent amount on behalf of the ITPs and same is shown as loan to ITPs. As per the requirement of IND AS 105, loan amount is to be shown under as "Assets held for Sale".

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17 Equity share capital

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital:		
11,00,000 Equity shares of Rs 10 each (as at 31 March 2022 11,00,000 Equity shares of Rs.10 each)	110.00	110.00
Issued, subscribed and fully paid up shares :		
52,246 equity shares of Rs 10 each (as at 31 March 2022 52,246 Equity shares of Rs 10 each)	5.22	5.22
Total	**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 2023		For the year ended 31 March 2022	
	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 2023		As at 31 March 2022	
	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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	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%

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

e) Details of shareholding of Promoters:

Shares held by promoters at the end of the year			% change during the year
Promoter name	Number of shares	% of total shares	
As at 31.03.2023			
Power Finance Corporation Limited, the Holding Company	51,546	98.66%	-
Nominees of Power Finance Corporation Limited	700	1.34%	-
As at 31.03.2022			
Power Finance Corporation Limited, the Holding Company	51,546	98.66%	-
Nominees of Power Finance Corporation Limited	700	1.34%	-

f) Aggregate number and class of shares allotted as fully paid up without payment being received in cash.
(i) Current year - NIL (Previous year NIL)
(ii) 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.

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18 Other equity (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserve and Surplus		
(a) Capital Reserve (Note i)	9.78	9.78
(b) Retained earnings (Note ii and 18.1)	16,293.88	11,043.22
Total	16,303.66	11,053.00

Notes:

i Capital reserve: During amalgamation of PFCCAS with the PFCCL, the excess of net assets taken, over the cost of consideration paid has been treated as capital reserve. There is no movement in Capital reserve balance during the year. This amount will be utilised as per the provisions of the Companies Act 2013.

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. This will be utilised for the purposes as per the provisions of the Companies Act 2013.

(Rs. in lakh)

18.1 Retained Earnings	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	11,043.22	8,712.64
Profit for the year	6,380.93	3,685.50
Payment of dividends	(1,130.27)	(1,354.92)
Balance at the end of the period	**16,293.88**	**11,043.22**

19 Financial liabilities-Borrowings (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current		
Secured		
Funds from PFC for HPSEB Project (including interest accrued) (Note 19.1)	969.61	952.23
Less: Current maturities of Long Term Borrowings (including interest accrued):	51.61	0.23
	918.00	**952.00**
Current		
Unsecured		
Funds from PFC for UT privatisation (including interest accrued)(Note 15.1)	69.57	319.57
Secured		
Current maturities of Long Term Borrowings (including interest accrued) :	51.61	0.23
	121.18	**319.80**
Total	**1,039.18**	**1,271.80**

19.1 The Company has obtained long term loan from its holding company for funding of smart metering project in Himachal Pradesh. The loan is secured against hypothecation of project assets and charge on PFCCL's receivable from HPSEB Ltd. The loan is repayable in 28 quarterly instalments commencing from 15th January, 2024.

20 Financial liabilities-Lease liabilities (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current		
Lease liability - Office Premises*	593.10	818.23
Total	**593.10**	**818.23**
Current		
Lease liability - Office Premises*	225.13	204.80
Total	**225.13**	**204.80**

* Refer note 38- Leases

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21 Trade payables

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Total outstanding dues of micro enterprises and small enterprises;	66.63	110.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	996.90	1,297.62
Total	**1,063.53**	**1,408.30**

21.1 **Trade Payables aging schedule as on 31.03.2023:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	66.63	-	-	-	66.63
(ii)	Others	845.64	137.96	1.44	11.86	996.90
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**912.27**	**137.96**	**1.44**	**11.86**	**1,063.53**

21.2 **Trade Payables aging schedule as on 31.03.2022:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	110.68	-	-	-	110.68
(ii)	Others	1,281.21	1.93	14.48	-	1,297.62
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**1,391.89**	**1.93**	**14.48**	**-**	**1,408.30**

* Date of accounting entry in the books of accounts is considered as due date of payment.
- Refer note no. 42 for disclosure under MSMED Act 2006
- The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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22 Other financial liabilities

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Security deposit	5.43	3.96
(b) Payable to successful developer (ITPs)	191.54	261.46
(c) Amount received for bidding of power (e-DEEP) (Note 22.1)	4,226.18	4,669.61
(d) Amount payable to Power Finance Corporation Limited	83.88	-
(e) Payable for Capital Expenditure	2,992.99	2,747.45
(f) Other payables	3.61	16.99
Total	**7,503.63**	**7,699.47**

22.1 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.

In addition to above, MoP has also authorised PFCCL for bidding under Shakti Policy B(v) for which deposit towards bid security and fees are received and included in above amount.

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. Further, the bid security will be refunded as per guidelines of Shakti Policy.

23 Other current liabilities

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Statutory dues payable	595.37	203.39
Total	**595.37**	**203.39**

24 Provisions

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Provision for employee bonus/incentive	239.01	313.35
(b) Provision for CSR Expenditure (refer note 44)	45.24	74.89
Total	**284.25**	**388.24**

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25 Revenue from operations

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services:		
Consultancy	12,036.80	8,233.08
Revenue from smart metering project (refer Note -49)	945.57	-
Other operating revenue:		
-Sale of Request for Qualification/Proposal (RFQ/RFP)	320.00	280.00
-Processing fee	0.42	0.68
Total	13,302.79	8,513.76

26 Other Income

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Interest from financial assets at amortised cost		
-On bank deposits	291.21	287.11
-On receivables from associate companies of holding company	130.75	123.60
Interest on loan to associate companies	125.73	171.82
Unwinding of discount on security deposit	4.29	4.14
Interest on Income Tax Refund	89.46	-
Gain on modification /termination of Lease as per Ind AS 116	-	6.36
Gain on sale of property, plant and equipment	0.09	-
Miscellaneous Income	6.81	0.56
Other non-operating income:		
Provisions no longer required written back:		
- for expenses	14.85	2.48
Total	663.20	596.06

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27 Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sub consultancy charges	1,780.18	1,253.80
Advertisement expenses	11.22	2.75
Facility Management Services for smart metering project	171.55	-
Total	**1,962.95**	**1,256.55**

28 Employee benefits expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	830.46	1,047.31
Contribution to provident and other funds	116.12	159.84
Staff welfare expenses	135.60	130.44
Manpower Expenses (refer note (a) below)	494.56	-
Total	1,576.74	1,337.59

Notes:

a) The employees working for the company are on secondment basis from the holding company (PFC) to whom salaries and benefits were directly paid by the company and booked as employee benefits expenses. However, during the year (from December 2022, onwards) the mode of booking and payment has been changed and as per the arrangement with the holding company, the holding company has started charging the employee cost for the employee seconded to PFCCL on monthly basis which has been directly paid by PFC to such employees and such employees cost is shown as manpower expenses above.

b) The Employee benefits include Rs. 78.66 lakh (previous year Rs 103.54 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits. These contributions from December 2022 onwards are included in Manpower expenses.

29 Finance Cost

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Expense : Lease (Office Premises)*	88.42	97.83
Interest Expense : Smart Metering project	68.26	-
Total	**156.68**	**97.83**

*Refer to Note 38- Leases

30 Depreciation and amortisation expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On property, plant and equipment (Note 2)	607.49	93.33
On right of use - Office Premises (Note 4)	238.90	240.12
On other Intangible assets (Note 5)	-	0.14
Total	**846.39**	**333.59**

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31 Other expenses (Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payments to auditor:		
As Auditor	6.00	5.00
Tax audit fee	1.25	1.25
Certification fee etc	0.10	0.10
Advertisement expenses	0.08	3.39
Property, Plant and Equipments written off	14.49	3.27
Diwali Expenses	11.66	9.49
Electricity and water charges	27.57	23.42
Entertainment expenses	5.54	0.19
Interest paid on TDS and Income tax	0.27	0.21
Legal and professional expenses	28.40	6.16
Meeting expenses	5.00	1.07
Miscellaneous expenses	22.83	23.59
Office maintenance expenses	45.62	73.13
Office rent	12.61	13.33
Lease rent - computers	2.98	-
Outsourcing expenses	427.43	432.97
Printing and stationery	9.35	7.50
Rates and Taxes	-	3.02
Telephone expenses	16.16	17.04
Travelling and conveyance	81.21	63.90
Vehicle hiring and running expenses	18.64	13.76
Allowances for doubtful debts and advances	28.53	184.22
Total	**765.72**	**886.01**

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32 Disclosure as per Ind AS 33 "Earnings per Share"

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Profit after tax used as numerator (Rs. in lakh)	6,380.93	3,685.50
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) (Rs.)	12,213.24	7,054.13

33 Disclosure as per Ind AS 108 'Operating Segments'

33.1 General Information

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different services, and are managed separately because they require different technology and marketing strategies. The Chief Operating Decision Maker (CODM) reviews each of the strategic business units on periodic basis.

The following summary describes the operations in each of the Company's reportable segments :

Consultancy Services: 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.

Smart metering project: The Company has been awarded the Smart metering project by HPSEB Ltd for installing, project implementation, O&M of these meters in Shimla & Dharamshala town of Himachal Pradesh. The revenue from meter rentals, O&M and related expenses, assets and liabilities are classified under this segment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

33.2 Information about reportable segments and reconciliations to amounts reflected in the financial statements:

(a) Segment revenue, profit etc:

(i) For the year ended 31 March 2023

(Rs. in lakhs)

S.No	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Revenue	12,357.22	945.57	13,302.79
(ii)	Segment Expenses	1,791.40	755.33	2,546.72
(iii)	**Segment Results**	**10,565.82**	**190.24**	**10,756.07**
(iv)	Unallocated corporate interest and other income			663.20
(v)	Unallocated corporate expenses and finance cost			2,874.69
(vi)	**Profit before tax**			**8,544.58**
(vii)	Income Tax (net)			2,163.65
(viii)	**Profit after tax**			**6,380.93**
(ix)	Depreciation and amortisation expenses	-	515.52	846.39

(ii) For the year ended 31 March 2022

(Rs. in lakhs)

S.No	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Revenue	8,513.76	-	8,513.76
(ii)	Segment Expenses	1,256.55	-	1,256.55
(iii)	**Segment Results**	**7,257.21**	-	**7,257.21**
(iv)	Unallocated corporate interest and other income			596.06
(v)	Unallocated corporate expenses and finance cost			2,824.53
(vi)	**Profit before tax**			**5,028.74**
(vii)	Income Tax (net)			1,343.24
(viii)	**Profit after tax**			**3,685.50**
(ix)	Depreciation and amortisation expenses		-	333.59

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PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Notes to the Standalone Financial Statements for the year ending 31 March 2023

(b) Segment assets and liabilities:

(i) As at 31 March 2023

(Rs. in lakhs)

	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Assets	18,805.66	7,267.71	26,073.37
(ii)	Unallocated corporate and other assets	-	-	1,623.24
(iii)	Total Assets	18,805.66	7,267.71	27,696.61
(iv)	Segment Liabilities	5,444.74	4,161.59	9,606.33
(v)	Unallocated corporate and other liabilities	-	-	1,781.39
(vi)	Total liabilities	5,444.74	4,161.59	11,387.72

(ii) As at 31 March 2022

(Rs. in lakhs)

	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Assets	16,172.96	4,728.61	20,901.57
(ii)	Unallocated corporate and other assets			2,150.88
(iii)	**Total Assets**	**16,172.96**	4,728.61	**23,052.45**
(iv)	Segment Liabilities	9,427.33	952.23	10,379.56
(v)	Unallocated corporate and other liabilities			1,614.66
(vi)	**Total liabilities**	**9,427.33**	952.23	**11,994.22**

(c) **Reconciliation of Assets and Liabilities**

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Segment Assets (A)	26,073.37	**20,901.57**
Unallocated corporate and other assets:		
Property, plant and equipment	162.49	139.11
ROU Assets	736.61	975.50
Other non current assets	9.92	14.66
Current tax assets (net)	97.11	-
Other current assets	617.11	1,021.61
Total unallocated corporate and other assets (B)	**1,623.24**	**2,150.88**
Total Assets (A) + (B)	**27,696.61**	**23,052.45**
Segment Liabilities (C)	**9,606.33**	**10,379.56**
Unallocated corporate and other liabilities:		
Lease liabilities	818.23	1,023.03
Deferred Tax liabilities (net)	83.54	-
Other current liabilities	595.37	203.39
Provisions	284.25	388.24
Total unallocated corporate and other liabilities (D)	**1,781.39**	**1,614.66**
Total liabilities (C+D)	**11,387.72**	**11,994.22**

(d) **Reconciliation of profit after tax**

(Rs. in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Segment results (A)	**10,756.07**	**7,257.21**
Unallocated corporate interest and other income:		
Other income	663.20	596.06
Sub total (B)	**663.20**	**596.06**
Unallocated corporate expenses and finance cost:		
Employee benefits expense	1,576.74	1,337.59
Finance cost	88.42	97.83
Depreciation and amortisation expense	330.87	333.59
Corporate social responsibility expense	112.93	169.50
Other expenses	765.72	886.02
Sub total (C)	**2,874.69**	**2,824.53**
Profit before tax (A+B-C)	**8,544.58**	**5,028.74**
Income Tax expenses	2,163.65	1,343.24
Profit after tax	**6,380.93**	**3,685.50**

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(e) Revenue from meter rental has commenced from FY 2022-23 only, however the implementation of the project was started from preceding financial year. Therefore figures are not comparable from preceding financial year.

33.3 The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

34 Information about major customers

(Rs. in lakhs)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Bhadla Sikar Transmission Limited	1,595.89	-
Khetri-Narela Transmission Limited	1,514.50	-
Khavda Bhuj Transmission Limited	-	1,469.80
Sikar-II Aligarh Transmission Limited	-	1,625.64
	3,110.39	**3,095.44**

- No other single customer contributed 10% or more to the company's revenue for both financial year 2022-23 and 2021-22.

35 Tax Expense

(Rs. in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	1,742.26	1,373.59
Income tax adjustment for earlier years	(5.39)	0.62
	1,736.87	**1,374.21**
Deferred tax		
In respect of the current year (refer note 7)	426.78	(30.97)
	426.78	(30.97)
Total tax expense recognised in the Statement of profit and loss	2,163.65	**1,343.24**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	8,544.58	5,028.74
Applicable Tax Rate	25.168%	25.168%
Calculated income tax expense	2,150.50	1,265.63
Tax effect of :		
Non-deductible expenses	29.68	75.81
Tax exempt income	-	(2.64)
Income tax adjustment for earlier years	(5.39)	0.62
Others	(11.14)	3.81
Income tax expense recognised in profit or loss	**2,163.65**	**1,343.24**

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PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Notes to the Standalone Financial Statements for the year ending 31 March 2023

36 Related Party Disclosures

36.1 Name of related parties and description of relationship:

Holding Company			
1	Power Finance Corporation Limited (PFCL)		
Fellow Subsidiary Companies			
1	REC Limited (RECL)	2	REC Power Development & Consultancy Limited (through RECL) (formerly REC Power Distribution Company Ltd.)
3	PFC Projects Limited (Formerly Coastal Karnataka Corporation Limited) (w.e.f. 01.07.2022)		
Associate Companies			
1	Mohanlalganj Transmission Limited (transferred on 30.05.2022)	2	Chhatarpur Transmission Limited
3	Shongtong Karcham-Wangtoo Transmission Limited (Striked off from the records of Registrar of Companies on 13.01.2023)	4	Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies)
5	Bhadla Sikar Transmission Limited (transferred on 28.03.2023)	6	Tanda Transmission Company Limited (Striked off from the records of Registrar of Companies on 13.01.2023)
7	Fatehgarh III Beawar Transmission Limited (incorporated on 05.05.2022)	8	Ananthpuram Kurnool Transmission Limited
9	Siot Transmission Limited (incorporated on 27.04.2022)	10	Khetri-Narela Transmission Limited (transferred on 11.05.2022)
11	Bhadla III Transmission Limited (incorporated on 27.05.2022)	12	Kishtwar Transmission Limited (transferred on 06.12.2022)
13	Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	14	Beawar Dausa Transmission Limited (incorporated on 06.05.2022)
15	Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)	16	Fatehgarh III Transmission Limited (incorporated on 18.05.2022)
17	Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	18	Fatehgarh IV Transmission Limited (incorporated on 08.06.2022)
Associate of PFCL			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited	12	Tatiya Andhra Mega Power Limited (Striked off from the records of Registrar of Companies on 27.09.2022)
13	Chhattisgarh Surguja Power Limited (Striked off from the records of Registrar of Companies on 11.01.2023)	14	Coastal Maharashtra Mega Power Limited (Striked off from the records of Registrar of Companies on 29.09.2022)
15	Coastal Karnataka Power Ltd. (upto 30.06.2022)		
Associate of RECL			
1	Dumka Transmission Limited	2	Chandil Transmission Limited
3	Koderma Transmission Limited	4	Bidar Transmission Limited
5	Mandar Transmission Limited	6	Beawar Transmission Limited (incorporated on 27.04.2022)
7	Ramgarh II Transmission Limited (incorporated on 20.04.2022)	8	Luhri Power Transmission Limited (incorporated on 28.10.2022)
9	Sikar Khetri Transmission Limited (incorporated on 06.05.2022)	10	NERES XVI Power Transmission Limited (incorporated on 10.01.2023)
11	Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)	12	Rajgarh Transmission Limited (transferred on 30.05.2022)
13	Khavda II-D Transmission Limited (incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies)	14	ER NER Transmission Limited (transferred on 10.10.2022)
15	Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)	16	MP Power Transmission Package-I Limited (transferred on 21.01.2023)
17	WRSR Power Transmission Ltd. (incorporated on 22.09.2022 and transferred on 17.01.2023)	18	Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023)
19	Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)	20	Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)
21	KPS3 Transmission Limited (incorporated on 29.04.2022 and transferred on 21.03.2023)	22	ERSR Power Transmission Ltd. (incorporated on 27.09.2022 and transferred on 21.03.2023)
23	KPS2 Transmission Limited (incorporated on 04.05.2022 and transferred on 21.03.2023)	24	KPS1 Transmission Limited (incorporated on 06.05.2022 and transferred on 20.04.2023)
25	Khavda II-A Transmission Limited (incorporated on 19.04.2022 and transferred on 28.03.2023)	26	GADAG II-A Transmission Limited (transferred on 10.11.2022)

Key Managerial Persons (KMP) of the company and their relatives

S. No.	Name	Designation
1	Shri Ravinder Singh Dhillon (Director w.e.f. 12-June-2019 upto 31-May-2021) (Chairman w.e.f. 01-Jun-2020)	Chairman
	Smt Ramnik Kaur Dhillon	Relative of KMP
	Smt Narinder Kaur	Relative of KMP
	Shri Guneet Singh Dhillon	Relative of KMP
	Ms Kirat Dhillon	Relative of KMP
2	Smt. Parminder Chopra (w.e.f. 01-Jul-2020)	Director
	Shri Rajeev Chopra	Relative of KMP
3	Shri Rajiv Ranjan Jha(since 12-Nov-2021)	Director
	Smt Neeta Jha	Relative of KMP
	Shri Sanjiv Ranjan Jha	Relative of KMP
	Shri P R Jha	Relative of KMP
	Shri Nalin Prasoon	Relative of KMP
	Ms.Sneha Bharadwaj	Relative of KMP
	Smt. Sukh Sagar Thakur	Relative of KMP
4	Shri Manoj Kumar Rana (since 05-Aug-2020)	Chief Executive Officer (CEO)
5	Sh. Milind M. Dafade (Since 03-Dec-2022)	Chief Finance Officer (CFO)
6	Sh. Sachin Arora (Since 16-Feb-2023)	Company Secretary (CS)
7	Sh. Manish Kumar Agrawal (Upto 16-Feb-2023)	Company Secretary (CS)

36.2 Details of transactions:

36.2.1 Transactions with Holding Company and its Associates

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Manpower Charges	-	52.26
Consultancy Fees (Including UT Privatization)	687.29	108.50
Manpower Expenses	494.56	-
Expenses on Leave encashment and other superannuation benefits	77.68	111.44
Reimbursement of expenses for UMPPs (Associates)	51.13	87.60
Receipt of amount of expenses reimbursed for UMPPs (Associates)	9.23	86.59
Interest Income on Receivables from UMPPs (Associates)	130.75	123.60
Dividend Paid	1,130.27	1,354.92
Interest expense on borrowings from PFC	126.47	27.66
Funds received from PFC towards UT Privatization	319.33	127.54
Repayment of loan to PFC towards UT Privatization including interest	(609.94)	-
Funds from PFC for HPSEB project	17.37	952.23
Sale/ transfer of PPE items	5.16	8.96
Purchase of PPE items	14.05	3.95

36.2.2 Transactions with Associates

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Manpower Charges	976.97	611.21
Loans granted/Return back(Net)	(183.25)	(503.98)
Interest Earned	125.73	171.82
Consultancy charges on transfer of ITP to successful bidder	5,888.63	3,993.12

36.2.3 Transactions with entities under the control of same government

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government. Significant transactions with related parties under the control/ joint control of the same government are as under :

(Rs. in lakh)

Name of related party	Nature of transaction	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
NTPC Vidyut Vyapar Nigam Limited	Short Term Bidding Fees	68.84	36.92
NHPC Limited	Short Term Bidding Fees	3.00	-
Power Grid Corporation of India Limited	Sale of Bidding documents	30.00	35.00
MSTC Limited	Consultancy Expense	182.28	201.09
SBI Capital Markets Limited	Consultancy Expense	26.92	286.01
Railtel Enterprises Ltd	Outsourcing Expenses	1.17	25.75
NMDC Ltd	Consultancy Income	-	75.99
SJVN Limited	Long Term Bidding Fees	0.50	-

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.

36.2.4 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 CEO, CFO and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Details of managerial remuneration paid to KMP is as under: -

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Short term employee benefits		
CEO	78.49	58.38
CFO*	72.63	-
Company Secretary	51.58	41.64
Post-employment benefits		
CEO	10.76	2.62
CFO*	9.41	-
Company Secretary	6.86	1.65
	229.73	**104.29**

* CFO was employed for whole of the year and was designated as CFO w.e.f 03-Dec-2022, the employee benefits stated are for whole yea

36.3 Details of outstanding balances:

36.3.1 Outstanding balances with group companies

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	As at 31 March 2022
Amount receivable including interest accrued		
- From holding company and its associates	2,625.23	2,479.42
- From associates	1,215.49	1,398.83
- From associates (under incorporation)	53.11	102.43
Borrowings from holding company (including interest accrued)	1,039.18	1,271.80
Amount payable/(receivable) to PFC	230.06	(94.32)

36.3.2 Outstanding balances with entities under the control of same government

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	As at 31 March 2022
Amount payable/(receivable) to/from		
SBI Capital Markets Limited	(0.19)	225.34
MSTC Limited	75.76	69.25
Railtel Enterprises Ltd	-	27.09
NTPC Vidyut Vyapar Nigam Limited	196.25	197.88
NHPC Limited	-	3.54
Power Grid Corporation of India Limited	5.90	-

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 group companies are generally at the terms, conditions and principles applicable for consultancy services provided to other parties

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37 Financial Instruments

37.1 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.

37.2 Categories of financial instruments

Financial assets and liabilities

(Rs. in lakh)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Financial assets measured at amortised cost			
Cash and cash equivalents	11	5,675.49	5,234.16
Other Bank Balances	12	3,056.20	1,098.62
Trade receivables	10	5,817.46	3,107.50
Loans	13	-	0.09
Other financial assets (current and non-current)	6	2,845.58	2,650.22
Total		17,394.73	12,090.59
Financial liabilities measured at amortised cost			
Borrowings (current and non-current)	19	1,039.18	1,271.80
Trade payables	21	1,063.53	1,408.30
Lease Liabilities (current and non-current)	20	818.23	1,023.03
Other Financial Liabilities	22	7,503.63	7,699.47
Total		10,424.57	11,402.60

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

37.3 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 (TPs), trade receivables and other financial assets. The Company has the overall responsibility for establishing and governing the Company's risk management. For managing these risks, the management 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 a positive cash balance throughout the year ended 31 March 2023 and 31 March 2022.

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 (TPs) 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.

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i) **Trade Receivables**

The trade receivables of the company comprises mainly amount recoverable from the State Government entities. The Company considers that the exposure to state sector have a low credit risk mainly due to low default/ loss history. Further, the presence of Government interest lowers the risk of non-recoverability.
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 upto 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 2023	4,349.63	287.01	2,105.59	6,742.23
Gross carrying amount as at 31 March 2022	1,687.96	529.39	1,786.38	4,003.74

(II) Movement in the expected credit loss allowance

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	896.24	746.78
-Impairment allowance reversal	-	-
-Impairment losses recognised	28.53	149.46
Balance at the end of the year	**924.77**	**896.24**

ii) **Loans**
The Company has given loans to its associates. Loan to associates are interest bearing loans given by way of allocation of expenditure and charging of manpower cost. The loan provided to related companies are collectible in full and risk of default is negligible. However, 100% impairment loss is provided for the loan to associates (ITPs) 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.5675.49 lakh (as at 31 March 2022 Rs. 5234.16 lakh). The same are held with scheduled banks with good rating and hence the risk of default is managed.

iv) **Deposits with banks**
The Company held deposits with banks of Rs.4572.49 lakh (as at 31 March 2022 Rs. 2536.99 lakh). In order to manage the risk, Company places deposits with only scheduled banks with good rating.

37.4 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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38 Leases

(Rs. in lakh)

S.No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	Amortisation charge for right-of-use assets by class of underlying asset (Refer Note 4)	238.89	240.12
(b)	Interest expense on lease liabilities (Refer Note- 29)	88.42	97.83
(c)	The expense relating to short-term leases	-	-
(d)	The expense relating to leases of low-value assets	10.85	8.58
(e)	Total cash outflow for leases	304.08	301.81
(f)	The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset (Refer Note 4)	736.61	975.50

The table below shows the movement of lease liabilities during the year :

(Rs. in lakh)

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Opening balance	1,023.03	72.57
(b)	Additions during the year	-	1,194.49
(c)	Finance cost accrued during the year	88.42	97.83
(d)	Payment of lease liabilities(other than low value assets)	293.23	293.23
(e)	Lease liabilities adjusted on lease termination/modification	-	48.63
(f)	Closing balance	818.23	1,023.03
(i)	Non Current	593.10	818.23
(ii)	Current	225.13	204.80

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis as at 31.03.2023 :

(Rs. in lakh)

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Upto 1 year	293.23	293.23
(b)	1-5 years	656.25	949.48
(c)	More than 5 years	-	-

38.1 Lease premises for the employee's residence is a part of their compensation and is not considered here as the same is included in Salary & Allowances (refer note 28-Employee Benefit Expenses).

38.2 Lease upto Rs.1 lakh per month per asset has been considered as low value lease.

39 **Assets classified as Held for Sale**

PFCCL has been appointed as Bid Process Coordinator for the Independent Transmission Projects notified by Ministry of Power.

A new SPV is incorporated whenever a new scheme is notified by MoP. After incorporating, the SPV is transferred to the successful Bidder after going through certain stages:

I. RFQ
II RFP
III. Reverse Auction Bidding
IV. Issue of LoI
V. Share Transfer Agreement

As per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", any asset or disposal group are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and sale is considered highly probable.

Accordingly, these SPVs are considered as Disposal group as per Ind AS 105 as and when the management initiates the process for the transfer of SPV i.e. date of issue of RFQ/RFP. The investment in equity along with the loan and interest accrued on the same is considered as asset held for sale and are presented separately as per the requirement of statute

40 **Contingent Liabilities**

(Rs. in lakh)

S. No.	Description	As at 31 March 2023	As at 31 March 2022
(a)	Claims against the company not acknowledged as debt #	18.16	18.16
(b)	Guarantees excluding financial guarantees	-	-
(c)	Others		
(i)	Bank Guarantee issued (against 100% margin)	283.96	230.97
(ii)	Disputed income tax matter under appeal *	267.23	265.73

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* Comprising of tax demand raised by income tax authorities for assessment order passed for financial year 2016-17 Rs. 265.73 lakhs (previous year Rs. 265.73 lakhs) and for financial year 2019-20 Rs. 1.50 lakhs (previous year Rs. Nil) against which company has filed appeal with Commissioner of Income Tax (Appeals) and as on balance sheet date the matter is pending in appeal. The company is hopeful to get full relief in the appeal and no cash outflow in this regard is anticipated.

\# The previous Statutory Auditor of the company for FY 2019-20 has claimed an amount of Rs. 21.16 lakhs towards audit fee against the approved audit fee of Rs. 3.00 lakhs. During the financial year the company has paid/settled the approved audit fees of Rs. 3.00 lakhs. Therefore the claim raised by auditor net of fees already paid is disclosed as claim against the company not acknowledged as debt.

41 Capital and other commitments

(Rs. in lakh)

S. No.	Description	As at 31 March 2023	As at 31 March 2022
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	60.28	2,519.19
(b)	Other Commitments	-	-

42 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 2023	As at 31 March 2022
(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	66.63	110.68
	- 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	-	-

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2023 (Nil as at 31.03.2022). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

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43 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)

44 **Corporate Social Responsibility (CSR) Expenses**

44.1 As per provisions of Section 135 of the Companies Act 2013 read with rules, the company is required to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The details of CSR expenses are as under: -

(Rs. in lakh)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
(i)	Amount required to be spent by the company during the year	112.93	99.90
(ii)	Amount of expenditure incurred (note 44.2)		
	- on construction/acquisition of assets	-	-
	- on purpose other than above	112.93	99.90
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	Not applicable	Not applicable
(vi)	Nature of CSR activities	PM Cares Fund	PM Cares Fund
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii)	Details of movements in provision for CSR expenses during the year		
	Opening balance	74.89	104.56
	Add: Provision during the year	112.93	99.90
	Add: Interest on unspent CSR fund	1.71	1.70
	Balance	**189.53**	**206.16**
	Amount paid during the year:		
	For current year	112.93	99.90
	For previous year	31.37	31.37
		144.30	**131.27**
	Closing balance	**45.24**	**74.89**

44.2 In accordance with amendments made in CSR provisions by Ministry of Corporate Affairs (MCA) w.e.f. 22.01.2021 any unspent amount pursuant to any ongoing project must be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years, failing which it shall transfer the balance amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be set off in three succeeding financial years against the amount to be spent.

As the notification is made effective during FY 2020-21, the Company is complying with the amended provisions of Section 135 of the Companies Act, 2013 with effect from financial year 2020-21. Further, the unspent CSR amount as at 31.03.2020 is required to be dealt with in accordance with the pre-amendment framework. However, no amount is pending for CSR activities for period upto 31st March 2020 as also disclosed in Annual Report for CSR activities of the Company.

As per amended provisions, provision for CSR expenditure for FY 2020-21 Rs.104.56 lakhs was made and the amount was transferred in a separate bank account within 30 days from the end of financial year out of which unutilized amount lying in separate bank account as at the end of Financial year is Rs. 44.94 lakhs (Previous year Rs. 74.72 lakhs). The difference in provision and bank balance is due to TDS deducted by bank on interest income.

44.3 Total CSR expenditure booked in Statement of Profit & Loss:

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
CSR expenditure for the year	112.93	99.90
CSR expenditure for period upto 31.03.2020 as per the pre-amendment framework:		
On Purposes other than Construction / Acquisition of any asset i.e Financial Assistance for Skill development training of unemployed youth belonging to SC/ST/OBC/PWD Women/EWS Categories through Indo German Institute of Advance Technology	-	69.60
CSR expenditure debited in Statement of Profit & Loss	**112.93**	**169.50**

45 **Balance Confirmation from parties**

The company has sent letters to various parties under trade receivables, advances, payables, bankers etc. for confirmation of balances as at 31.03.2023. Status of confirmation received from these balances as on date of approval of financial statements are as under: -

(Rs. in lakh

Particulars	Amount as on 31.03.2023	Confirmed	Not Confirmed	Amount as on 31.03.2022	Confirmed	Not Confirmed
Loans (current and non current)	-	-	-	0.09	0.09	(0.00
Other financial assets (current and non current)	2,845.58	2,735.74	109.84	2,650.22	2,594.50	55.72
Trade receivables	5,817.46	1,346.71	4,470.75	3,107.50	1,399.29	1,708.21
Cash and cash equivalents	5,675.49	5,675.49	-	5,234.16	5,234.16	-
Bank balances other than cash and cash equivalents	3,056.20	3,056.20	-	1,098.62	1,098.62	-
Other current assets	734.68	-	734.68	1,139.03	-	1,139.03
Trade payables	1,063.53	355.91	707.62	1,408.30	911.65	496.65
Other financial liabilities	7,503.63	3,076.87	4,426.76	7,699.47	2,747.45	4,952.02

In respect of balances for which confirmation is pending for receipt, management is of the view that there will not be any significant variation in the balances and therefore no adjustment i carrying value is required.

46 **Prior period items:**

As per requirements of Ind AS 8, Company has corrected Material prior period(s) errors retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. The details of prior period errors and their impact on financial statements are as under: -

(Rs. in lakh)

S. No.	Particulars	As on 31.03.2022 as per last audited Balance Sheet	Prior period items	As on 31.03.2022 Restated	Remark
A	Balance Sheet (relevant items)				
	Equity & Liability				
	Other equity (Retained earnings)	11,125.28	(82.06)	11,043.22	Net effect on retained earnings of prior period errors
	Trade payables	1,326.24	82.06	1,408.30	Liability towards prior period expenses provided
	Total		-		
B	Statement of Profit & Loss for year ending 31.03.2022 (relevant items)				
	Consultancy service expenses (Note 27)	1,171.74	82.06	1,253.80	consultancy service expense of FY 2021-22 provided for.
	Profit before tax	5,110.80	(82.06)	5,028.74	Net effect of prior period items on profit before tax
	Tax expenses:				
	Current tax	1,373.59	-	1,373.59	NIL effect
	Income tax adjustment for earlier years	0.62	-	0.62	NIL effect
	Deferred tax	(30.97)	-	(30.97)	NIL effect
	Total tax expenses	1,343.24	-	1,343.24	NIL effect
	Profit after tax	3,767.56	(82.06)	3,685.50	Net effect of prior period items on profit after tax
	Earnings per share (Basic & Diluted)	7,211.19	(157.06)	7,054.13	Net effect of prior period items

47 **Ratios**

Details of ratios are as under: -

	Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Variance %	Reasons for variance > 25%
(a)	Current Ratio	Current Assets	Current Liabilities	1.81	1.36	33.51	Increased due to increase in current assets mainly trade receivables and bank balance on improved profitability
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.12	-44.60	Improved due to repayment of loan and improved profitability
(c)	Debt Service Coverage Ratio	Earnings available for debt service=Net profit after tax + Depreciation and amortisation expense + Finance cost + loss on sale of PPE	Debt Service=Finance Cost + lease payments + Principal repayment	10.57	10.54	0.33	
(d)	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	46.63%	37.25%	25.17	Improved due to improved profitability
(e)	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	N.A.	N.A.	N.A.	
(f)	Trade Receivables turnover ratio	Net Credit Sales	Avg. Trade Receivables	2.98	2.91	2.43	
(g)	Trade payables turnover ratio	Net Credit Purchases of services	Average Trade Payables	2.17	1.60	36.17	Increased due to increase in net credit purchases
(h)	Net capital turnover ratio	Net Sales	Working Capital	1.68	2.34	-28.40	Decreased due to increase in working capital mainly trade receivables
(i)	Net profit ratio	Net Profit after taxes	Net Sales	47.97%	43.29%	10.81	
(j)	Return on Capital employed	Earning before interest and taxes	Capital Employed *	49.25%	40.78%	20.77	
(k)	Return on Investment	Return	Investment	N.A.	N.A.	N.A.	

* Capital employed = Tangible networth + Total debt + Deferred tax liability

PFC CONSULTING LIMITED NEW DELHI

FRN 005359C

48 Additional disclosures as per Division II of Schedule III of Companies Act 2013

S.NO.	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Title deeds of immovable properties not held in the name of the Company	Not Applicable	Not Applicable
b)	Detail of Revaluation of investment property, property plant & equipment, intangible assets	NIL	NIL
c)	Detail of any loan given to promoters, director & KMP which is repayable on demand or without specifying terms / period of repayment	NIL	NIL
d)	Details of Intangible assets under development	NIL	NIL
e)	Details of Benami property held	NIL	NIL
f)	Detail of quarterly return or statements of current asset filed by company with banks or financial institution	NIL	NIL
g)	Relationship with struck off Companies	NIL	NIL
h)	Detail of pending registration of charge or satisfaction with Registrar of Companies (ROC)	NIL	NIL

49 In respect of smart metering project, HPSEB Limited has intimated vide letter dated 09-03-2023 regarding deduction of liquidated damages (LD) of Rs. 87.69 lakhs from monthly bills raised on it. The company has duly contested such deduction and is taking up the matter with HPSEB Limited and therefore no effect of the same has been accounted for in the financial statements as the company is hopeful of positive result. However, such LD deduction is not likely to have any effect on its financials as the same will be deducted by the company from bills of its sub-contractor.

50 **Incorporation of Associate Companies**

Independent Transmission Projects(ITPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these ITPs unilaterally. The Company therefore, considers its investment in respective ITPs as an associate having significant influence despite the Company holding 100% of their paid-up equity share capital. However, for the purpose of the Companies Act, these ITPs have been classified as subsidiary companies. During the financial year 2022-23 and preceding financial year, following associates (ITP) have been incorporated:

(Rs. in lakh)

Company Name	Year ended 31.03.2023			Year ended 31.03.2022		
	Date of Incorporation	Share in ownership	Investment in Share Capital	Date of Incorporation	Share in ownership	Investment in Share Capital
Siot Transmission Limited	27-04-2022	100%	1.00	-	-	-
Fatehgarh III Beawar Transmission Limited	05-05-2022	100%	1.00	-	-	-
Beawar Dausa Transmission Limited	06-05-2022	100%	1.00	-	-	-
Khandukhal Rampura Transmission Limited	13-05-2022	100%	1.00	-	-	-
Fatehgarh III Transmission Limited	18-05-2022	100%	1.00	-	-	-
Bhadla III Transmission Limited	27-05-2022	100%	1.00	-	-	-
Fatehgarh IV Transmission Limited	08-06-2022	100%	1.00	-	-	-
Dharamjaigarh Transmission Limited	18-11-2022	100%	1.00	-	-	-
Raipur Pool Dhamtari Transmission Limited	18-11-2022	100%	1.00	-	-	-
Kishtwar Transmission Limited	-	-	-	15-04-2021	100%	1.00
Nangalbibra-Bongaigaon Transmission Limited	-	-	-	09-04-2021	100%	1.00
Mohanlalganj Transmission Limited	-	-	-	08-06-2021	100%	1.00
Chhatarpur Transmission Limited	-	-	-	25-01-2022	100%	1.00
Khavda-Bhuj Transmission Limited	-	-	-	17-05-2021	100%	1.00

51 **Transfer/Disinvestment of Associate Companies**

Name of the Company	Year ended 31.03.2023		Year ended 31.03.2022	
	Date of Incorporation	Date of transfer to successful bidder	Date of Incorporation	Date of transfer to successful bidder
Khetri-Narela Transmission Limited	15-05-2020	11-05-2022		
Mohanlalganj Transmission Limited	08-06-2021	30-05-2022		
Khandukhal Rampura Transmission Limited	13-05-2022	07-10-2022		
Kishtwar Transmission Limited	15-04-2021	06-12-2022		
Bhadla Sikar Transmission Limited	13-05-2020	28-03-2023	-	-
Dharamjaigarh Transmission Limited	18-11-2022	28-03-2023	-	-
Raipur Pool Dhamtari Transmission Limited	18-11-2022	28-03-2023	-	-
Sikar-II Aligarh Transmission Limited	-	-	17-05-2020	08-06-2021
Koppal-Narendra Transmission Limited	-	-	18-11-2019	13-12-2021
Nangalbibra-Bongaigaon Transmission Limited	-	-	09-04-2021	16-12-2021
Khavda-Bhuj Transmission Limited	-	-	17-05-2021	18-01-2022
Khurja Transmission Limited	-	-	20-11-2019	18-01-2022

52 **Standards/ amendments issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified amendment to existing Indian Accounting Standards on dated 31.03.2023 applicable w.e.f. 01.04.2023. The Company does not expect the amendments to have any significant impact on its financial statements.

53 Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year classification.

54 **Events occurring after the reporting date**

There are no subsequent events which require any adjustment to financial statements.

For and on behalf of Board of Directors

(Sachin Arora)	(Milind M.Dafade)	(Manoj Kumar Rana)	(Rajiv Ranjan Jha)	(Ravinder Singh Dhillon)
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman
M.No.A26459			(DIN 03523954)	(DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

PFC CONSULTING LIMITED
NEW DELHI

FRN. 005359C
Chartered Accountants

(Anagh Gupta)
Partner
M. No. 418781

Place: - New Delhi
Date: - 22-05-2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Consolidated Balance Sheet as at 31 March 2023

(Rs. in lakh)

	Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
(I)	ASSETS			
(1)	Non-current assets			
	(a) Property, plant and equipment	2	5,588.97	139.11
	(b) Capital Work in Progress	3	793.91	4,728.61
	(c) Right of use assets	4	736.61	975.50
	(d) Other intangible assets	5	-	
	(e) Financial assets			
	(i) Other financial assets	6	1,569.22	1,487.01
	(f) Deferred tax assets (net)	7	-	343.25
	(g) Other non-current assets	8	9.92	14.66
	Total non-current assets		**8,698.63**	**7,688.14**
(2)	**Current assets**			
	(a) Financial assets			
	(i) Investments	9	-	-
	(ii) Trade receivables	10	5,817.46	3,107.50
	(iii) Cash and cash equivalents	11	5,675.49	5,234.16
	(iv) Bank balances other than cash and cash equivalents	12	3,056.20	1,098.62
	(v) Loans	13	-	0.09
	(vi) Other financial assets	6	1,276.36	1,163.21
	(b) Current tax assets (net)	14	917.53	1,606.09
	(c) Other current assets	15	978.34	1,647.47
			17,721.38	**13,857.14**
(3)	Assets classified as held for sale	16	1,276.60	1,507.17
	Total assets classified as held for sale		**1,276.60**	**1,507.17**
	Total assets		**27,696.61**	**23,052.45**
(II)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	17	5.22	5.22
	(b) Other equity	18	16,303.66	11,053.00
	Total equity		**16,308.88**	**11,058.22**
(2)	**Liabilities**			
(A)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	918.00	952.00
	(ii) Lease liabilities	20	593.10	818.23
	(b) Deferred tax liabilities (net)	7	83.54	-
	Total non-current liabilities		**1,594.64**	**1,770.23**
(B)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	121.18	319.80
	(ii) Lease liabilities	20	225.13	204.80
	(iii) Trade payables	21		
	(A) total outstanding dues of micro enterprises and small enterprises; and		66.63	110.68
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		996.90	1,297.62
	(iv) Other financial liabilities	22	7,503.63	7,699.47
	(b) Other current liabilities	23	595.37	203.39
	(c) Provisions	24	284.25	388.24
	Total current liabilities		**9,793.09**	**10,224.00**
	Total equity and liabilities		**27,696.61**	**23,052.45**

See accompanying notes from S No. 1 to 56 to the consolidated financial statements

For and on behalf of Board of Directors

(Sachin Arora)	**(Milind M.Dafade)**	**(Manoj Kumar Rana)**	**(Rajiv Ranjan Jha)**	**(Ravinder Singh Dhillon)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman
M.No.A26459			(DIN 03523954)	(DIN 00278074)

PFC CONSULTING LIMITED NEW DELHI

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anugh Gupta)
Partner
M. No. 418781

FRN 005359C

Place: - New Delhi
Date: - 22-05-2023

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 2023

(Rs. in lakh)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
	Income			
I.	Revenue from operations	25	13,302.79	8,513.76
II.	Other income	26	663.20	596.06
III.	**Total income (I+II)**		13,965.99	**9,109.82**
IV.	Expenses			
(a)	Consultancy services expense	27	1,962.95	1,256.55
(b)	Employee benefits expense	28	1,576.74	1,337.59
(c)	Finance Cost	29	156.68	97.83
(d)	Depreciation and amortisation expense	30	846.39	333.59
(e)	Corporate social responsibility expense	44	112.93	169.50
(f)	Other expenses	31	765.72	886.02
	Total expenses (IV)		5,421.41	**4,081.08**
V.	**Profit before tax (III-IV)**		**8,544.58**	**5,028.74**
VI.	**Tax expenses:**	35		
	Current tax		1,742.26	1,373.59
	Income tax adjustment for earlier years		(5.39)	0.62
	Deferred tax		426.78	(30.97)
	Total tax expenses (VI)		**2,163.65**	**1,343.24**
VII.	**Profit for the year (V-VI)**		**6,380.93**	**3,685.50**
VIII.	**Other comprehensive income**		-	-
IX.	**Total comprehensive income for the year (VII+VIII)**		**6,380.93**	**3,685.50**
X.	Earnings per equity share in Rs. : (face value Rs. 10/- each)	32		
	Basic		12,213.24	7,054.13
	Diluted		12,213.24	7,054.13

See accompanying notes from S.No. 1 to 56 to the consolidated financial statements

For and on behalf of Board of Directors

(Sachin Arora)
Company Secretary
M.No A26459

(Milind M.Dafade)
Chief Finance Officer

(Manoj Kumar Rana)
Chief Executive Officer

(Rajiv Ranjan Jha)
Director
(DIN 03523954)

(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M. No. 418781

PFC CONSULTING LIMITED
NEW DELHI

Place: - New Delhi
Date: - 22-05-2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Consolidated Cash Flow Statement for the year ended 31 March 2023

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A.	Cash flow from operating activities:		
	Profit before tax	8,544.58	5,028.74
	Adjustments for:		
	Depreciation and amortisation	846.39	333.59
	Interest income	(547.70)	(583.53)
	Provision for doubtful debts	28.53	184.22
	Interest Expense - Lease (Office Premises)	88.42	97.83
	Interest Expense Others	68.26	-
	Gain on modification /termination of Lease as per Ind AS 116	-	(6.36)
	Unwinding of discount on security deposit	(4.29)	(4.14)
	Loss on Property, Plant and Equipments written off	14.49	3.27
	Gain on sale of property, plant and equipment	(0.09)	
	Provision written back- for expenses	(14.85)	(2.48)
	Operating profit before working capital changes	**9,023.75**	**5,052.15**
	Adjustments for changes in working capital :		
	- Increase/(decrease) in trade payables	(329.92)	368.77
	- Increase/(decrease) in current provisions	(103.99)	(60.12)
	- Increase/(decrease) in other current liabilities	391.98	(23.81)
	- Increase/(decrease) in other current financial liabilities	(195.84)	5,250.97
	- (Increase)/decrease in trade receivables	(2,738.48)	(513.46)
	- (Increase)/decrease in current loans	0.09	-
	- (Increase)/decrease in other current financial Assets	10.18	(149.51)
	- (Increase)/decrease in other current assets	709.73	(1,257.40)
	- (Increase)/decrease in other non current assets	9.03	(10.52)
	- (Increase)/decrease in assets and liabilities held for sale	160.95	400.13
	Cash generated from / (used in) operating activities	**6,937.48**	**9,057.20**
	Income taxes paid (net of refunds)	(1,048.31)	(1,671.84)
	Net cash generated from / (used in) operating activities	**5,889.17**	**7,385.36**
B.	**Cash flow from investing activities:**		
	Addition in property, plant and equipment and CWIP	(2,128.84)	(4,869.40)
	Increase/(decrease) in other non current financial assets	(82.21)	119.51
	Increase/(decrease) in other Bank Balances	(1,957.58)	(432.70)
	Proceeds from sale of property, plant and equipment	9.38	14.13
	Interest received	493.99	509.67
	Net cash generated from/ (used in) Investing activities	**(3,665.26)**	**(4,658.79)**
C.	**Cash flow from financing activities:**		
	Dividend paid	(1,130.27)	(1,354.92)
	Proceeds from long term borrowings	-	952.00
	Proceeds from short term borrowings	319.33	100.12
	Repayment of short term borrowings	(543.42)	-
	Payment of lease liability	(293.22)	(293.23)
	Interest paid	(135.00)	
	Net cash generated from/ (used in) financing activities	**(1,782.58)**	**(596.04)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**441.33**	**2,130.53**
	Cash and cash equivalents at the beginning of the year	**5,234.16**	**3,103.63**
	Cash and cash equivalents at the end of the year (refer note 11)	**5,675.49**	5,234.16
	Cash and cash equivalents comprises :		
	Balance with banks		
	- in current accounts	2.34	6.76
	- in deposit accounts with original maturity upto 3 months	5,673.15	5,227.40
		5,675.49	**5,234.16**

See accompanying notes from S.No. 1 to 56 to the consolidated financial statements

For and on behalf of Board of Directors

(Sachin Arora)	**(Milind M.Dafade)**	**(Manoj Kumar Rana)**	**(Rajiv Ranjan Jha)**	**(Ravinder Singh Dhillon)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman
M.No A26459			(DIN 03523954)	(DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

PFC CONSULTING LIMITED
NEW DELHI

(Anagh Gupta)
Partner
M. No. 418781

Place: - New Delhi
Date: - 22-05-2023

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 2023

A. Equity share capital
(1) Current reporting period (FY 2022-23)

(Rs. in lakh)

Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in equity share capital during the current year	Balance at the 31 March 2023
5.22	-	5.22	-	5.22

(2) Previous reporting period (FY 2021-22)

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in equity share capital during the Previous year	Balance at the 31 March 2022
5.22	-	5.22	-	5.22

B. Other Equity
(1) Current reporting period (FY 2022-23)

Particulars	Reserves and Surplus		Total
	Capital Reserves	Retained earnings	
Balance as at 1st April 2022	9.78	11,125.28	11,135.06
Changes in accounting policy or prior period errors	-	(82.06)	(82.06)
Restated balance as at 1st April 2022	9.78	11,043.22	11,053.00
Total Comprehensive Income for the current year	-	6,380.93	6,380.93
Dividends	-	(1,130.27)	(1,130.27)
Balance as at 31 March 2023	**9.78**	**16,293.88**	**16,303.66**

(1) Previous reporting period (FY 2021-22)

Particulars	Reserves and Surplus		Total
	Capital Reserves	Retained earnings	
Balance as at 1st April 2021	9.78	8,712.64	8,722.42
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 1st April 2021	9.78	8,712.64	8,722.42
Total Comprehensive Income for the current year	-	3,685.50	3,685.50
Dividends	-	(1,354.92)	(1,354.92)
Balance as at 31 March 2022	9.78	**11,043.22**	11,053.00

See accompanying notes from S.No. 1 to 56 to the consolidated financial statements

For and on behalf of Board of Directors

(Sachin Arora)
Company Secretary
M.No.A26459

(Milind M Dafade)
Chief Finance Officer

(Manoj Kumar Rana)
Chief Executive Officer

(Rajiv Ranjan Jha)
Director
(DIN 03523954)

(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M. No. 418781

PFC CONSULTING LIMITED NEW DELHI

Place: - New Delhi
Date: - 22-05-2023

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Notes to the Consolidated Financial Statements for the year ending 31 March 2023

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 and the corporate office of the company is located at 9th Floor, Statesman House, 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. PFCCL together with its associates is called Group.

1.2 Statement of Compliance and basis of preparation and presentation

i) These consolidated financial statements of the company comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent applicable.

ii) These consolidated financial statements were approved by Board of Directors (BoD) on 22nd May 2023.

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 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 otherwise stated.

ii) 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.

Upon loss of joint control over the Joint Venture or significant influence over the Associate, the Group measures and recognises any retained investment at its fair value. Any difference between a) the carrying amount of the Joint Venture or Associate upon loss of joint control or significant influence respectively and b) the fair value of the retained investment and proceeds from disposal is recognised in Statement of Profit and Loss.

iii) 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 value of trade receivables and provision of ECL thereon and provision for taxation.

iv) 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.

(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. Income from Smart Metering services are recognised when bills for meter rent is raised to the clients and right to receive such income is established. Income from project development management agency charges (PDMA) during project implementation period is recognised over the period of contract. Income from assignments undertaken as per the instructions of Ministry of Power, GoI (UT privatisation) is recognised when right to receive income is established by way of written confirmation from MoP.

(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) Income from sale of bidding documents i.e. Request for proposal (RFP), Request for qualification (RFQ) etc. for Independent Transmission Projects (ITPs), Ultra Mega Power Project (UMPPs) etc. 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 lakh.

v) 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. 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. Capital expenditure directly attributable for Smart metering project are initially shown in capital work in progress (net of contribution received from client) and capitalised as PPE when it is ready for use after its testing. Depreciation on items of PPE in smart metering project is recognised on pro-rata basis on Straight Line Method over the useful life of assets not exceeding project implementation period of 99 months.

iv. 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.

v. 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.

vi. 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.

vii. Items of PPE costing up to Rs. 5000/- each are fully depreciated, in the year of purchase.

vi) 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.

vii) Investment in group companies

Investment in equity shares of associates company are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and sale is considered highly probable. These are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non- Current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Investment in equity shares of associates which are not categorised as assets held for sale are accounted at cost less impairment, if any, in accordance with Ind AS 27.

viii) 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.

ix) 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 earlier 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.

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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.

x) Employee Benefits

(i) Leave Encashment, Provident Fund, Pension benefits, Gratuity and other post retirement benefits

The employees of the group are on Secondment from the Holding Company (Power Finance Corporation 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, 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.

As per the amended arrangement with the holding company during the year, in respect of the employees deployed by holding company on secondment basis, the company is paying manpower charges to its holding company for the services rendered by these employees to the company. Such manpower charges are being charged on monthly basis on the basis of actual employee cost, alongwith with future liability of Provident Fund, Gratuity, Superannuation and Post-retirement benefit etc. With paying above charges company owes nothing to its holding company for any future liabilities whatsoever of such seconded employees. The company recognize such expenses in the statement of profit & loss.

(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.

xi) Material Prior Period Errors

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

xii) 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 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.

xiii) Leases

The group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether (a) the company has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the company has the right to direct the use of the identified asset.

The company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets (RoU) are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset (RoU) if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Statement of Profit & Loss. Lease payments have been classified as Cash flow used in financing activities.

xiv) 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 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.

xv) 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 upto 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 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 group 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.

xvi) 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 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.

xvii) 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.

xviii) 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.

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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.

xix) Borrowing costs

Borrowing Costs that are attributable to the acquisition, construction of property, plant and equipment which take substantial period of time to get ready for its intended use are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Borrowing cost incurred for the projects for clients which are subsequently recoverable from clients are shown as part of such receivable and shown as recovered as and when the same is received from the clients. Other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred

xx) Operating Segments

In accordance with Ind AS 108-'Operating segments', the operating segments used to present segment information are identified on the basis of management's assessment to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance costs, income tax expenses and corporate income that are not directly attributable to segments.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, Capital Wok in Progress and intangible assets.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, advances for capital expenditures, trade and other receivables and other assets that can be directly or reasonably allocated to segments. Unallocated assets comprise common PPE, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payable, payable for capital expenditure and other payables etc. Unallocated liabilities comprise equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

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2 Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Plant & Machinery (Smart metering)	Leasehold Improvements	Total
Gross Block						
As at 1 April, 2021	121.40	124.90	105.80	-	165.65	517.75
Additions	33.03	37.93	70.07	-	-	141.03
Deductions/Adjustment	14.26	26.56	43.51	-	-	84.33
As at 31 March 2022	140.17	136.27	132.36	-	165.65	574.44
Additions	49.54	29.93	59.68	5,942.00	-	6,081.14
Deductions/Adjustment	18.25	16.99	37.43	-	-	72.66
As at 31 March 2023	**171.46**	**149.21**	154.61	**5,942.00**	165.65	6,582.92
Accumulated Depreciation						
As at 1 April, 2021	**103.79**	**77.13**	**74.80**	-	**153.22**	**408.93**
Charge for the year	20.95	21.89	38.07	-	12.43	93.33
Deductions/Adjustment	11.03	19.79	36.12	-	-	66.93
As at 31 March 2022	**113.71**	**79.23**	**76.75**	-	**165.65**	**435.33**
Charge for the year	32.73	18.64	40.61	515.52	-	607.49
Deductions/Adjustment	13.19	9.44	26.25	-	-	48.88
As at 31 March 2023	**133.25**	**88.43**	**91.11**	**515.52**	**165.65**	**993.94**
Net Block						
As at 31 March 2023	**38.21**	**60.78**	**63.50**	**5,426.48**	-	**5,588.97**
As at 31 March 2022	**26.46**	**57.04**	**55.61**	-	-	**139.11**

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.

3 **Capital Work in Progress**

(Rs. in lakh)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Smart Metering project:		
Opening Balance	4,728.61	-
Additions during the year	2,007.30	4,728.61
	6,735.91	**4,728.61**
Less: Capitalized during the year	5,942.00	-
Closing Balance	**793.91**	**4,728.61**

3.1 The Company has been awarded the Smart metering project by HPSEB Ltd for installing, project implementation, O&M of these meters in Shimla & Dharamshala town of Himachal Pradesh. As per terms of Letter of award, total Capex is Rs. 8303 lakhs (excluding GST) out of which Rs. 1955 lakhs (excluding GST) has to be contributed by HPSEB Ltd and balance funds are required to be arranged by PFCCL. The capex cost alongwith interest and PDMA charges during O&M period will be paid by HPSEB Ltd by way of monthly meter rent. As on balance sheet date the company has incurred capital expenditure of Rs 6735.91 lakhs (previous year Rs 4728.61 lakhs) for acquisition of smart meters and related infrastructure (net of HPSEB Ltd contribution received). The amount capitalised during the year Rs 5942 lakhs (previous year Rs. NIL) has been transferred to PPE and remaining amount is appearing in CWIP. Balance of CWIP amount will be adjusted on receipt of remaining HPSEB Ltd contribution of Rs 430.12 lakhs as per contract terms in next financial year.

Borrowing Cost capitalised during the year in the carrying amount of PPE as per Ind AS-23 "Borrowing Costs" is Rs. 17.61 Lakhs (Previous year in CWIP Rs. 0.23 Lakhs)

3.2 CWIP ageing schedule:

(Rs. in lakh)

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2023					
Projects in progress	793.91	-	-	-	793.91
Projects temporarily suspended	-	-	-	-	-
Total	**793.91**	-	-	-	**793.91**
As on 31.03.2022					
Projects in progress	4,728.61	-	-	-	4,728.61
Projects temporarily suspended	-	-	-	-	-
Total	**4,728.61**	-	-	-	**4,728.61**

3.3 As on the date of the balance sheet, there is no capital work in progress projects whose completion is overdue or has exceeded the cost based on approval plan.

4 **Right of Use Assets**

(Rs. in lakh)

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Lease - Office Premises		
Opening Balance	975.50	63.40
Additions	-	1,194.48
	975.50	1,257.88
Less: Adjustment of Lease termination/modification		42.26
Less: Amortisation for the year	238.89	240.12
Closing Balance	736.61	975.50

- Refer Note 38- Leases

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5 Other Intangible assets

(Rs. in lakh)

Particulars	Amount
Computer software	
Gross Block	
As at 1 April 2021	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2022	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2023	**32.32**
Amortisation	
As at 1 April 2021	**32.18**
Charge for the year	0.14
Deductions/Adjustment	-
As at 31 March 2022	**32.32**
Charge for the year	-
Deductions/Adjustment	-
As at 31 March 2023	32.32
Net Block	
As at 31 March 2023	-
As at 31 March 2022	-

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(Rs. in lakh)

6 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
(a) Security deposit (Rent)	52.93	48.64
(b) Bank deposits with more than 12 months maturity (including accrued interest)*	1,516.29	1,438.37
Total	1,569.22	1,487.01

* includes Rs. 287.20 lakh (as at 31 March 2022 Rs. 256.15 lakh) held as margin money against the contract performance bank guarantees issued to clients and Rs. 44.93 lakhs (as at 31 March 2022 Rs. 74.72) in unspent CSR fund account.

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Advances (Unsecured, considered good)		
Advances to supplier/contractors	1.02	1.37
Advances to Employees	0.93	0.13
Total (a)	**1.95**	**1.49**
(b) Advances (Unsecured, credit impaired)		
Advances to supplier/contractors	36.10	36.10
Impairment allowance for doubtful advances	(36.10)	(36.10)
Total (b)	-	-
(c) Others (Unsecured, considered good)		
(i) Security deposit (Rent)	6.06	5.59
(ii) Earnest Money Deposits	46.96	-
(iii) Amount recoverable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest **	1,221.39	1,061.81
(iv) Amount receivable from PFC	-	94.32
Total (c)	**1,274.41**	**1,161.72**
Total (a+b+c)	**1,276.36**	**1,163.21**

** Amount recoverable of Rs. 1,221.39 lakhs (as at 31 March 2022 Rs. 1,061.81 lakhs) is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. Prior to financial year 2018-19, these receivables were paid by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19, this amount was 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.130.75 lakhs (previous year Rs.123.60 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.

For disclosure of fair values in respect of financial assets measured at amortised cost Refer Note 37- "Financial instruments.

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7 Deferred Tax Assets / Liabilities (net)

(Rs. in lakh)

Particulars	As at 31 March 2023	31 March 2022
Deferred tax assets in relation to:		
Property, plant and equipment and other intangible assets	-	58.94
Provisions for bad and doubtful trade receivables	241.83	234.65
Provision for impairment in the value of investments	0.25	1.76
Provision for employee benefits	26.93	30.74
Provision for shortage in PPE	0.14	0.14
Lease expense impact under Ind AS 116	22.02	17.02
Deferred tax assets	**291.17**	**343.25**
Deferred tax liability in relation to:		
Property, plant and equipment and other intangible assets	(374.71)	-
Deferred tax liability	(374.71)	-
Deferred tax (liability) / assets (net)	**(83.54)**	**343.25**

The following is the analysis of deferred tax assets/liabilities presented in the balance sheet: **(Rs. in lakh)**

Particulars	**As at 1 April 2022**	**Credit/(charge) to profit and loss**	**Credit/ (charge) to OCI**	**As at 31 March 2023**
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to				
Property, plant and equipment and other intangible assets	58.94	(433.65)	-	(374.71)
Provisions for bad and doubtful trade receivables	234.65	7.18	-	241.83
Provision for impairment in the value of investments	1.76	(1.51)	-	0.25
Provision for employee benefits	30.74	(3.81)	-	26.93
Provision for shortage in PPE	0.14	-	-	0.14
Lease expense impact under Ind AS 116	17.02	5.00	-	22.02
Total	**343.25**	**(426.79)**	-	**(83.54)**

8 **Other non- current assets**

(Rs. in lakh)

Particulars	**As at 31 March 2023**	**31 March 2022**
Unamortised security deposit (Rent)	9.92	14.66
Shortage in property, plant and equipment pending reconciliation	0.57	0.57
Less : Provision for loss of shortage in property, plant and equipment	(0.57)	(0.57)
Total	**9.92**	**14.66**

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9 **Investments**

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2023	As at 31 March 2022
Unquoted Equity Instruments - Current (fully paid up-unless otherwise stated, at cost)				
Associates under striking off				
Tanda Transmission Company Limited	As at 31st March 2023 NIL shares (31st March 2022, 50000 shares)	100%	-	-
Less : Impairment Allowance			-	-
Shongtong Karcham-Wangtoo Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	-
Less : Impairment Allowance			-	-
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	-	-
Less : Impairment Allowance			-	-
Total investment carrying value			-	-
Aggregate amount of unquoted investments			-	-
Aggregate amount of impairment in the value of unquoted investments			-	-

Notes:

1 Two associates namely Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been striked off by the MCA during the year and therefore, the investment in these two companies have been written off with impairment allowance. Further, in respect of another associate namely Bijawar-Vidarbha Transmission Limited, application has been filed with MCA for striking off and the final entry for writing off investment with impairment allowance will be passed on approval by MCA.

2 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).

3 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.

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10 Trade Receivables

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Trade Receivables considered good - Unsecured	5,696.35	2,997.52
Trade Receivables - credit impaired-Unsecured	1,045.88	1,006.22
Total	6,742.23	4,003.74
Less: Allowance for credit impairment	(924.77)	(896.24)
Total	5,817.46	3,107.50

10.1 **Trade Receivables ageing schedule as at 31 March 2023:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,777.48	572.15	44.78	309.44	992.50	5,696.35
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	242.23	57.30	746.35	1,045.88
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	3,777.48	572.15	287.01	366.74	1,738.85	6,742.23
Less:	Allowance for credit impairment	0.00	0.00	121.12	57.30	746.35	924.77
	Total Trade receivables	3777.48	572.15	165.89	309.44	992.50	5,817.46

10.2 **Trade Receivables ageing schedule as at 31 March 2022:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	1,290.99	396.97	309.44	318.68	681.44	2,997.52
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	219.95	127.08	659.18	1,006.22
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	1,290.99	396.97	529.39	445.76	1,340.62	4,003.74
Less:	Allowance for credit impairment	0.00	0.00	109.98	127.08	659.18	896.24
	Total Trade receivables	1290.99	396.97	419.42	318.68	681.44	3,107.50

* Date of accounting entry in the books of accounts is considered as due date of payment

10.3 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 upto 2 years. Refer note 37 - Financial Instruments

10.4 Trade receivables include Rs. 1346.71 Lakhs (Rs. 1355.15 lakhs as at 31 March 2022) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC (Holding Company). Prior to financial year 2018-19, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 this amount was 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.

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11 Cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Balances with banks - Current accounts	2.34	6.76
(b) Deposits with banks with maturity upto 3 months (including autosweep deposits and accrued interest)	5,673.15	5,227.40
Total	5,675.49	5,234.16

12 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest)	3,056.20	1,098.62
Total	**3,056.20**	**1,098.62**

13 Loans

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to related parties (Unsecured, credit impaired)		
Loans to associates (ITPs) including accrued interest*	-	0.09
Less : Allowances for bad and doubtful loans	-	-
Total	-	**0.09**

* Recoverable from an associate (ITP) i.e. Bijawar-Vidarbha Transmission Limited for which application for striking off has been filed with MCA during the year.

Notes-

i) For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 37 - "Financial instruments".

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

iii) **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	As at 31 March 2023	As at 31 March 2022
Loans – Considered Good	-	0.09
Loans – Considered doubtful	-	-
Total	-	**0.09**

The ITP's are generally sold to bidders between a period of 12 to 18 months (refer note 16). However, sometimes the ITP's are denotified by the Ministry of Power and the loss is absorbed by the Company.

14 Current tax assets (Net)

(Rs. in lakh

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax / tax deducted at source (TDS)	2,659.79	2,979.68
Less: Provision for Income Tax	(1,742.26)	(1,373.59)
Total	917.53	1,606.09

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Notes:

(Rs. in lakh)

14.1 The year wise details of pending income tax refund upto FY 2021-22 is as under:

Financial Year	As at 31 March 2023	As at 31 March 2022
2008-09	13.12	13.12
2009-10	30.62	30.62
2012-13	24.73	24.73
2013-14	63.13	63.13
2015-16	19.27	19.27
2016-17	0.68	0.68
2017-18	105.79	105.79
2018-19	51.99	51.99
2019-20	93.38	566.45
2020-21	89.66	429.27
2021-22	327.35	300.34
FBT	0.70	0.70
Total	**820.42**	**1,606.09**

14.2 Above income tax refund claimed by company is unpaid by income tax department due to mismatch in tax credit data/technical reasons and therefore creating demands for some financial years which has subsequently adjusted by refunds. However these mismatch in tax credit data have now been corrected or explained and in view of the company all the refunds are legally tenable for which regular follow ups are being done with the department and therefore no provision for impairment is required in this regard.

15 Other current assets

(Rs. in lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Secured, considered good		
(a)	Advance to contractors/suppliers (secured against Bank Guarantees)	120.53	120.53
	Unsecured, considered good		
(a)	Advance to contractors/suppliers/others/prepaid amount	1.78	1.63
(b)	Unamortised Security Deposit (Rent)	4.74	4.74
(c)	Expenditure for UT Corporatisation/Privatisation (Note 15.1)	238.92	503.70
(d)	Recoverable from Government Authorities (GST ITC etc.)	612.37	1,016.87
	Total	**978.34**	**1,647.47**

15.1 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories (UT) has to be Corporatized/privatised. MoP through PFCL has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFCL has appointed PFCCL as the nodal agency for this work. The company has incurred expenditure on this project for which funding has been done by PFCL. The expenditure on this project alongwith interest is appearing in above Note 15 (net of expenditure transferred to consultancy service expenses as explained below) and amount funded by PFCL alongwith interest is appearing in Note 19 financial liabilities-borrowings. Interest rate on such funded amount is 9.5% p.a. MoP vide OM dated 20.07.2021 has issued a Revamped Reforms Based and Results Linked Distribution Sector Scheme (RDSS) and the consultancy support provided by MoP to UTs is to be funded out of this component. During the year, the company has received part of its dues including fees and has repaid PFCL borrowings to that extent. The bills so raised are recognised as revenue from consultancy and corresponding expenditure has been transferred to consultancy service expenses. Interest charged by PFCL is continued to be shown in balance sheet under note 15 above as the same is recoverable as on balance sheet date.

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16 Disposal Group

(Rs. in lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Assets classified as held for sale		
(a)	Investment (refer note - 16.5)	8.00	6.00
(b)	Loans to associates (ITPs) including accrued interest (refer note- 16.6)	1,215.49	1,398.74
(c)	Amount receivable from ITP under Incorporation (Note 16.4)	53.11	102.43
	Net Disposal group	1,276.60	1,507.17

Notes:

16.1 These entities are incorporated as per the guidelines of Ministry of Power (MoP), through bid process subscribed by ministry of power with a view to sell in near future. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with related assets and liabilities) has been considered as held for sale.

16.2 The above investment are managed as per the mandate from Government of India (GoI) and the company does not have practical ability to direct the relevant activities of these companies unilaterally. The Company therefore considers its investment in respective companies as Associates having significant influence despite the company holding 100% of their paid-up equity share capital.

16.3 The Investments in equity shares of associates which are not categorised as assets held for sale are shown under Note 9 "Investments".

16.4 During the financial year 2022-23 the company has incurred Rs. 53.11 lakhs (previous year Rs. 102.43 lakhs) on behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. These ITP companies have been/will be incorporated after balance sheet date of 31 March and the amount receivable have been transferred to respective ITP.

16.5 **Equity Investments Held for Sale**

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2023	As at 31 March 2022
Khetri-Narela Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Ananthpuram Kurnool Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	1.00	1.00
Bhadla Sikar Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Chhatarpur Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, 10000 shares)	100%	1.00	1.00
Mohanlalganj Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Kishtwar Transmission Limited	As at 31st March 2023 NIL shares (31st March 2022, 10000 shares)	100%	-	1.00
Beawar Dausa Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Bhadla III Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh IV Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh III Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Fatehgarh-III Beawar Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
SIOT Transmission Limited	10000 shares of Rs. 10 each (31st March 2022, Nil shares)	100%	1.00	-
Total			8.00	6.00

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16.6 **Loans to associates (ITPs) held for sale including accrued interest** **(Rs. in lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
Khetri-Narela Transmission Limited	-	442.10
Ananthpuram Kurnool Transmission Limited	131.51	82.04
Bhadla Sikar Transmission Limited	-	435.75
Chhatarpur Transmission Limited	130.92	28.18
Mohanlalganj Transmission Limited	-	295.45
Kishtwar Transmission Limited	-	115.22
Beawar Dausa Transmission Limited	215.60	-
Bhadla III Transmission Limited	145.46	-
Fatehgarh IV Transmission Limited	120.28	-
Fatehgarh III Transmission Limited	126.86	-
Fatehgarh-III Beawar Transmission Limited	146.96	-
SIOT Transmission Limited	197.90	-
	1,215.49	1,398.74

Notes:

1 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.

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

3 Company spent amount on behalf of the ITPs and same is shown as loan to ITPs. As per the requirement of IND AS 105, loan amount is to be shown under as "Assets held for Sale".

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KPMC & ASSOCIATES FRN 006359C Chartered Accountants

17 Equity share capital

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital:		
11,00,000 Equity shares of Rs.10 each (as at 31 March 2022 11,00,000 Equity shares of Rs.10 each)	110.00	110.00
Issued, subscribed and fully paid up shares :		
52,246 equity shares of Rs 10 each (as at 31 March 2022 52,246 Equity shares of Rs 10 each)	5.22	5.22
Total	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 2023		For the year ended 31 March 2022	
	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 2023		As at 31 March 2022	
	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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	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%

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

e) Details of shareholding of Promoters:

Shares held by promoters at the end of the year			% change during the year
Promoter name	Number of shares	% of total shares	
As at 31.03.2023			
Power Finance Corporation Limited, the Holding Company	51,546	98.66%	-
Nominees of Power Finance Corporation Limited	700	1.34%	-
As at 31.03.2022			
Power Finance Corporation Limited, the Holding Company	51,546	98.66%	-
Nominees of Power Finance Corporation Limited	700	1.34%	-

f) Aggregate number and class of shares allotted as fully paid up without payment being received in cash.
(i) Current year - NIL (Previous year NIL)
(ii) 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.

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18 Other equity

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserve and Surplus		
(a) Capital Reserve (Note i)	9.78	9.78
(b) Retained earnings (Note ii and 18.1)	16,293.88	11,043.22
Total	**16,303.66**	**11,053.00**

Notes:

i Capital reserve: During amalgamation of PFCCAS with the PFCCL, the excess of net assets taken, over the cost of consideration paid has been treated as capital reserve. There is no movement in Capital reserve balance during the year. This amount will be utilised as per the provisions of the Companies Act 2013.

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. This will be utilised for the purposes as per the provisions of the Companies Act 2013.

(Rs. in lakh)

18.1 Retained Earnings	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	11,043.22	8,712.64
Profit for the year	6,380.93	3,685.50
Payment of dividends	(1,130.27)	(1,354.92)
Balance at the end of the period	**16,293.88**	**11,043.22**

19 Financial liabilities-Borrowings

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current		
Secured		
Funds from PFC for HPSEB Project (including interest accrued) (Note 19.1)	969.61	952.23
Less: Current maturities of Long Term Borrowings (including interest accrued):	51.61	0.23
	918.00	**952.00**
Current		
Unsecured		
Funds from PFC for UT privatisation (including interest accrued)(Note 15.1)	69.57	319.57
Secured		
Current maturities of Long Term Borrowings (including interest accrued) :	51.61	0.23
	121.18	**319.80**
Total	**1,039.18**	**1,271.80**

19.1 The Company has obtained long term loan from its holding company for funding of smart metering project in Himachal Pradesh. The loan is secured against hypothecation of project assets and charge on PFCCL's receivable from HPSEB Ltd. The loan is repayable in 28 quarterly instalments commencing from 15th January, 2024.

20 Financial liabilities-Lease liabilities

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current		
Lease liability - Office Premises*	593.10	818.23
Total	**593.10**	**818.23**
Current		
Lease liability - Office Premises*	225.13	204.80
Total	**225.13**	**204.80**

* Refer note 38- Leases

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21 Trade payables

(Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Total outstanding dues of micro enterprises and small enterprises;	66.63	110.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	996.90	1,297.62
Total	**1,063.53**	**1,408.30**

21.1 **Trade Payables aging schedule as on 31.03.2023:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	66.63	-	-	-	66.63
(ii)	Others	845.64	137.96	1.44	11.86	996.90
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	912.27	137.96	1.44	11.86	1,063.53

21.2 **Trade Payables aging schedule as on 31.03.2022:**

(Rs. in lakh)

S.No.	Particulars	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	110.68	-	-	-	110.68
(ii)	Others	1,281.21	1.93	14.48	-	1,297.62
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**1,391.89**	**1.93**	**14.48**	-	**1,408.30**

* Date of accounting entry in the books of accounts is considered as due date of payment.
- Refer note no. 42 for disclosure under MSMED Act 2006
- The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

PFC CONSULTING LIMITED NEW DELHI

22 Other financial liabilities (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Security deposit	5.43	3.96
(b) Payable to successful developer (ITPs)	191.54	261.46
(c) Amount received for bidding of power (e-DEEP) (Note 22.1)	4,226.18	4,669.61
(d) Amount payable to Power Finance Corporation Limited	83.88	-
(e) Payable for Capital Expenditure	2,992.99	2,747.45
(f) Other payables	3.61	16.99
Total	**7,503.63**	**7,699.47**

22.1 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.

In addition to above, MoP has also authorised PFCCL for bidding under Shakti Policy B(v) for which deposit towards bid security and fees are received and included in above amount.

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. Further, the bid security will be refunded as per guidelines of Shakti Policy.

23 Other current liabilities (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Statutory dues payable	595.37	203.39
Total	**595.37**	**203.39**

24 Provisions (Rs. in lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(a) Provision for employee bonus/incentive	239.01	313.35
(b) Provision for CSR Expenditure (refer note 44)	45.24	74.89
Total	**284.25**	**388.24**

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25 Revenue from operations

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services:		
Consultancy	12,036.80	8,233.08
Revenue from smart metering project (refer Note -49)	945.57	-
Other operating revenue:		
-Sale of Request for Qualification/Proposal (RFQ/RFP)	320.00	280.00
-Processing fee	0.42	0.68
Total	**13,302.79**	**8,513.76**

26 Other Income

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest from financial assets at amortised cost		
-On bank deposits	291.21	287.11
-On receivables from associate companies of holding company	130.75	123.60
Interest on loan to associate companies	125.73	171.82
Unwinding of discount on security deposit	4.29	4.14
Interest on Income Tax Refund	89.46	-
Gain on modification /termination of Lease as per Ind AS 116	-	6.36
Gain on sale of property, plant and equipment	0.09	-
Miscellaneous Income	6.81	0.56
Other non-operating income:		
Provisions no longer required written back:		
- for expenses	14.85	2.48
Total	**663.20**	**596.06**

PFC CONSULTING LIMITED NEW DELHI

KPMG & ASSOCIATES FRN 005358C Chartered Accountants

27 Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sub consultancy charges	1,780.18	1,253.80
Advertisement expenses	11.22	2.75
Facility Management Services for smart metering project	171.55	-
Total	**1,962.95**	**1,256.55**

28 **Employee benefits expenses**

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Salaries and wages	830.46	1,047.31
Contribution to provident and other funds	116.12	159.84
Staff welfare expenses	135.60	130.44
Manpower Expenses (refer note (a) below)	494.56	-
Total	**1,576.74**	**1,337.59**

Notes:

a) The employees working for the company are on secondment basis from the holding company (PFC) to whom salaries and benefits were directly paid by the company and booked as employee benefits expenses. However, during the year (from December 2022, onwards) the mode of booking and payment has been changed and as per the arrangement with the holding company, the holding company has started charging the employee cost for the employee seconded to PFCCL on monthly basis which has been directly paid by PFC to such employees and such employees cost is shown as manpower expenses above.

b) The Employee benefits include Rs. 78.66 lakh (previous year Rs 103.54 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits. These contributions from December 2022 onwards are included in Manpower expenses.

29 **Finance Cost**

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Interest Expense : Lease (Office Premises)*	88.42	97.83
Interest Expense : Smart Metering project	68.26	-
Total	**156.68**	**97.83**

*Refer to Note 38- Leases

30 **Depreciation and amortisation expense**

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
On property, plant and equipment (Note 2)	607.49	93.33
On right of use - Office Premises (Note 4)	238.90	240.12
On other Intangible assets (Note 5)	-	0.14
Total	**846.39**	**333.59**

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31 Other expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payments to auditor:		
As Auditor	6.00	5.00
Tax audit fee	1.25	1.25
Certification fee etc	0.10	0.10
Advertisement expenses	0.08	3.39
Property, Plant and Equipments written off	14.49	3.27
Divali Expenses	11.66	9.49
Electricity and water charges	27.57	23.42
Entertainment expenses	5.54	0.19
Interest paid on TDS and Income tax	0.27	0.21
Legal and professional expenses	28.40	6.16
Meeting expenses	5.00	1.07
Miscellaneous expenses	22.83	23.59
Office maintenance expenses	45.62	73.13
Office rent	12.61	13.33
Lease rent - computers	2.98	-
Outsourcing expenses	427.43	432.97
Printing and stationery	9.35	7.50
Rates and Taxes	-	3.02
Telephone expenses	16.16	17.04
Travelling and conveyance	81.21	63.90
Vehicle hiring and running expenses	18.64	13.76
Allowances for doubtful debts and advances	28.53	184.22
Total	765.72	**886.01**

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32 Disclosure as per Ind AS 33 "Earnings per Share"

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Profit after tax used as numerator (Rs. in lakh)	6,380.93	3,685.50
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) (Rs.)	12,213.24	7,054.13

33 Disclosure as per Ind AS 108 'Operating Segments'

33.1 General Information

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different services, and are managed separately because they require different technology and marketing strategies. The Chief Operating Decision Maker (CODM) reviews each of the strategic business units on periodic basis.

The following summary describes the operations in each of the Company's reportable segments :

Consultancy Services: 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.

Smart metering project: The Company has been awarded the Smart metering project by HPSEB Ltd for installing, project implementation, O&M of these meters in Shimla & Dharamshala town of Himachal Pradesh. The revenue from meter rentals, O&M and related expenses, assets and liabilities are classified under this segment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

33.2 Information about reportable segments and reconciliations to amounts reflected in the financial statements:

(a) Segment revenue, profit etc:

(i) For the year ended 31 March 2023 (Rs. in lakhs)

S.No	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Revenue	12,357.22	945.57	13,302.79
(ii)	Segment Expenses	1,791.40	755.33	2,546.72
(iii)	**Segment Results**	**10,565.82**	**190.24**	**10,756.07**
(iv)	Unallocated corporate interest and other income			663.20
(v)	Unallocated corporate expenses and finance cost			2,874.69
(vi)	**Profit before tax**			**8,544.58**
(vii)	Income Tax (net)			2,163.65
(viii)	**Profit after tax**			**6,380.93**
(ix)	Depreciation and amortisation expenses	-	515.52	846.39

(ii) For the year ended 31 March 2022 (Rs. in lakhs)

S.No	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Revenue	8,513.76	-	8,513.76
(ii)	Segment Expenses	1,256.55	-	1,256.55
(iii)	**Segment Results**	**7,257.21**	-	**7,257.21**
(iv)	Unallocated corporate interest and other income			596.06
(v)	Unallocated corporate expenses and finance cost			2,824.53
(vi)	**Profit before tax**			**5,028.74**
(vii)	Income Tax (net)			1,343.24
(viii)	**Profit after tax**			**3,685.50**
(ix)	Depreciation and amortisation expenses	-	-	333.59

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PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Notes to the Consolidated Financial Statements for the year ending 31 March 2023

(b) Segment assets and liabilities:

(i) As at 31 March 2023

(Rs. in lakhs)

	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Assets	18,805.66	7,267.71	26,073.37
(ii)	Unallocated corporate and other assets	-	-	1,623.24
(iii)	**Total Assets**	**18,805.66**	**7,267.71**	**27,696.61**
(iv)	Segment Liabilities	5,444.74	4,161.59	9,606.33
(v)	Unallocated corporate and other liabilities	-	-	1,781.39
(vi)	**Total liabilities**	**5,444.74**	**4,161.59**	**11,387.72**

(ii) As at 31 March 2022

(Rs. in lakhs)

	Particulars	Consultancy Services	Smart metering	Total
(i)	Segment Assets	16,172.96	4,728.61	20,901.57
(ii)	Unallocated corporate and other assets			2,150.88
(iii)	**Total Assets**	**16,172.96**	**4,728.61**	**23,052.45**
(iv)	Segment Liabilities	9,427.33	952.23	10,379.56
(v)	Unallocated corporate and other liabilities			1,614.66
(vi)	**Total liabilities**	**9,427.33**	**952.23**	**11,994.22**

(c) **Reconciliation of Assets and Liabilities**

(Rs. in lakhs)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Segment Assets (A)	**26,073.37**	**20,901.57**
	Unallocated corporate and other assets:		
	Property, plant and equipment	162.49	139.11
	ROU Assets	736.61	975.50
	Other non current assets	9.92	14.66
	Current tax assets (net)	97.11	-
	Other current assets	617.11	1,021.61
	Total unallocated corporate and other assets (B)	**1,623.24**	**2,150.88**
	Total Assets (A) + (B)	**27,696.61**	**23,052.45**
	Segment Liabilities (C)	**9,606.33**	**10,379.56**
	Unallocated corporate and other liabilities:		
	Lease liabilities	818.23	1,023.03
	Deferred Tax liabilities (net)	83.54	-
	Other current liabilities	595.37	203.39
	Provisions	284.25	388.24
	Total unallocated corporate and other liabilities (D)	**1,781.39**	**1,614.66**
	Total liabilities (C+D)	**11,387.72**	**11,994.22**

(d) **Reconciliation of profit after tax**

(Rs. in lakhs)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Segment results (A)	**10,756.07**	**7,257.21**
	Unallocated corporate interest and other income:		
	Other income	663.20	596.06
	Sub total (B)	**663.20**	**596.06**
	Unallocated corporate expenses and finance cost:		
	Employee benefits expense	1,576.74	1,337.59
	Finance cost	88.42	97.83
	Depreciation and amortisation expense	330.87	333.59
	Corporate social responsibility expense	112.93	169.50
	Other expenses	765.72	886.02
	Sub total (C)	**2,874.69**	**2,824.53**
	Profit before tax (A+B-C)	**8,544.58**	**5,028.74**
	Income Tax expenses	2,163.65	1,343.24
	Profit after tax	**6,380.93**	**3,685.50**

PFC CONSULTING LIMITED NEW DELHI

(e) Revenue from meter rental has commenced from FY 2022-23 only, however the implementation of the project was started from preceding financial year. Therefore figures are not comparable from preceding financial year.

33.3 The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

34 Information about major customers

(Rs. in lakhs)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Bhadla Sikar Transmission Limited	1,595.89	-
Khetri-Narela Transmission Limited	1,514.50	-
Khavda Bhuj Transmission Limited	-	1,469.80
Sikar-II Aligarh Transmission Limited	-	1,625.64
	3,110.39	**3,095.44**

- No other single customer contributed 10% or more to the company's revenue for both financial year 2022-23 and 2021-22.

35 Tax Expense

(Rs. in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	1,742.26	1,373.59
Income tax adjustment for earlier years	(5.39)	0.62
	1,736.87	**1,374.21**
Deferred tax		
In respect of the current year (refer note 7)	426.78	(30.97)
	426.78	**(30.97)**
Total tax expense recognised in the Statement of profit and loss	**2,163.65**	**1,343.24**

The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	8,544.58	5,028.74
Applicable Tax Rate	25.168%	25.168%
Calculated income tax expense	2,150.50	1,265.63
Tax effect of :		
Non-deductible expenses	29.68	75.81
Tax exempt income	-	(2.64)
Income tax adjustment for earlier years	(5.39)	0.62
Others	(11.14)	3.81
Income tax expense recognised in profit or loss	**2,163.65**	**1,343.24**

PFC CONSULTING LIMITED NEW DELHI

36 **Related Party Disclosures**

36.1 Name of related parties and description of relationship:

Holding Company			
1	Power Finance Corporation Limited (PFCL)		
Fellow Subsidiary Companies			
1	REC Limited (RECL)	2	REC Power Development & Consultancy Limited (through RECL) (formerly REC Power Distribution Company Ltd.)
3	PFC Projects Limited (Formerly Coastal Karnataka Corporation Limited) (w.e.f. 01.07.2022)		
Associate Companies			
1	Mohanlalganj Transmission Limited (transferred on 30.05.2022)	2	Chhatarpur Transmission Limited
3	Shongtong Karcham-Wangtoo Transmission Limited (Striked off from the records of Registrar of Companies on 13.01.2023)	4	Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies)
5	Bhadla Sikar Transmission Limited (transferred on 28.03.2023)	6	Tanda Transmission Company Limited (Striked off from the records of Registrar of Companies on 13.01.2023)
7	Fatehgarh III Beawar Transmission Limited (incorporated on 05.05.2022)	8	Ananthpuram Kurnool Transmission Limited
9	Siot Transmission Limited (incorporated on 27.04.2022)	10	Khetri-Narela Transmission Limited (transferred on 11.05.2022)
11	Bhadla III Transmission Limited (incorporated on 27.05.2022)	12	Kishtwar Transmission Limited (transferred on 06.12.2022)
13	Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	14	Beawar Dausa Transmission Limited (incorporated on 05.05.2022)
15	Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)	16	Fatehgarh III Transmission Limited (incorporated on 18.05.2022)
17	Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)	18	Fatehgarh IV Transmission Limited (incorporated on 08.06.2022)
Associate of PFCL			
1	Bihar Mega Power Limited	2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited	4	Ghogarpalli Integrated Power Company Limited
5	Jharkhand Infrapower Limited	6	Odisha Infrapower Limited
7	Coastal Tamil Nadu Power Limited	8	Deoghar Mega Power Limited
9	Bihar Infrapower Limited	10	Cheyyur Infra Limited
11	Deoghar Infra Limited	12	Tatiya Andhra Mega Power Limited (Striked off from the records of Registrar of Companies on 27.09.2022)
13	Chhattisgarh Surguja Power Limited (Striked off from the records of Registrar of Companies on 11.01.2023)	14	Coastal Maharashtra Mega Power Limited (Striked off from the records of Registrar of Companies on 29.09.2022)
15	Coastal Karnataka Power Ltd. (upto 30.06.2022)		
Associate of RECL			
1	Dumka Transmission Limited	2	Chandil Transmission Limited
3	Koderma Transmission Limited	4	Bidar Transmission Limited
5	Mandar Transmission Limited	6	Beawar Transmission Limited (incorporated on 27.04.2022)
7	Ramgarh II Transmission Limited (incorporated on 20.04.2022)	8	Luhri Power Transmission Limited (incorporated on 28.10.2022)
9	Sikar Khetri Transmission Limited (incorporated on 06.05.2022)	10	NERES XVI Power Transmission Limited (incorporated on 10.01.2023)
11	Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)	12	Rajgarh Transmission Limited (transferred on 30.05.2022)
13	Khavda II-D Transmission Limited (incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies)	14	ER NER Transmission Limited (transferred on 10.10.2022)
15	Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)	16	MP Power Transmission Package-I Limited (transferred on 21.01.2023)
17	WRSR Power Transmission Ltd. (incorporated on 22.09.2022 and transferred on 17.01.2023)	18	Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023)
19	Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)	20	Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)
21	KPS3 Transmission Limited (incorporated on 29.04.2022 and transferred on 21.03.2023)	22	ERSR Power Transmission Ltd. (incorporated on 27.09.2022 and transferred on 21.03.2023)
23	KPS2 Transmission Limited (incorporated on 04.05.2022 and transferred on 21.03.2023)	24	KPS1 Transmission Limited (incorporated on 06.05.2022 and transferred on 20.01.2023)
25	Khavda II-A Transmission Limited (incorporated on 19.04.2022 and transferred on 28.03.2023)	26	GADAG II-A Transmission Limited (transferred on 18.11.2022)

Key Managerial Persons (KMP) of the company and their relatives

S. No.	Name	Designation
1	Shri Ravinder Singh Dhillon (Director w.e.f. 12-June-2019 upto 31-May-202) (Chairman w.e.f. 01-Jun-2020)	Chairman
	Smt Ramnik Kaur Dhillon	Relative of KMP
	Smt Narinder Kaur	Relative of KMP
	Shri Guneet Singh Dhillon	Relative of KMP
	Ms Kirat Dhillon	Relative of KMP
2	Smt. Parminder Chopra (w.e.f. 01-Jul-2020)	Director
	Shri Rajeev Chopra	Relative of KMP
3	Shri Rajiv Ranjan Jha(since 12-Nov-2021)	Director
	Smt Neeta Jha	Relative of KMP
	Shri Sanjiv Ranjan Jha	Relative of KMP
	Shri P R Jha	Relative of KMP
	Shri Nalin Prasoon	Relative of KMP
	Ms Sneha Bharadwaj	Relative of KMP
	Shri Sukh Sagar Thakur	Relative of KMP
4	Shri Manoj Kumar Rana (since 05-Aug-2020)	Chief Executive Officer (CEO)
5	Sh Milind M Dafade (Since 03-Dec-2022)	Chief Finance Officer (CFO)
6	Sh Sachin Arora (Since 16-Feb-2023)	Company Secretary (CS)
7	Sh Manish Kumar Agrawal (Upto 16-Feb-2023)	Company Secretary (CS)

36.2 Details of transactions:

36.2.1 Transactions with Holding Company and its Associates

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Manpower Charges	-	52.26
Consultancy Fees (Including UT Privatization)	687.29	108.50
Manpower Expenses	494.56	-
Expenses on Leave encashment and other superannuation benefits	77.68	111.44
Reimbursement of expenses for UMPPs (Associates)	54.13	87.60
Receipt of amount of expenses reimbursed for UMPPs (Associates)	9.23	86.59
Interest Income on Receivables from UMPPs (Associates)	130.75	123.60
Dividend Paid	1,130.27	1,354.92
Interest expense on borrowings from PFC	126.47	27.66
Funds received from PFC towards UT Privatization	319.33	127.54
Repayment of loan to PFC towards UT Privatization including interest	(609.94)	-
Funds from PFC for HPSEB project	17.37	952.23
Sale/ transfer of PPE items	5.16	8.96
Purchase of PPE items	14.05	3.95

36.2.2 Transactions with Associates

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Manpower Charges	976.97	611.21
Loans granted/Return back(Net)	(183.25)	(503.98)
Interest Earned	125.73	171.82
Consultancy charges on transfer of ITP to successful bidder	5,888.63	3,993.12

36.2.3 Transactions with entities under the control of same government

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government. Significant transactions with related parties under the control/ joint control of the same government are as under :

(Rs. in lakh)

Name of related party	**Nature of transaction**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
NTPC Vidyut Vyapar Nigam Limited	Short Term Bidding Fees	68.84	36.92
NHPC Limited	Short Term Bidding Fees	3.00	-
Power Grid Corporation of India Limited	Sale of Bidding documents	30.00	35.00
MSTC Limited	Consultancy Expense	182.28	201.09
SBI Capital Markets Limited	Consultancy Expense	26.92	286.01
Railtel Enterprises Ltd	Outsourcing Expenses	1.17	25.75
NMDC Ltd	Consultancy Income	-	75.99
SJVN Limited	Long Term Bidding Fees	0.50	-

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.

36.2.4 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 CEO, CFO and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Details of managerial remuneration paid to KMP is as under: -

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
<u>Short term employee benefits</u>		
CEO	78.49	58.38
CFO*	72.63	-
Company Secretary	51.58	41.64
<u>Post-employment benefits</u>		
CEO	10.76	2.62
CFO*	9.41	-
Company Secretary	6.86	1.65
	229.73	**104.29**

* CFO was employed for whole of the year and was designated as CFO w.e.f 03-Dec-2022, the employee benefits stated are for whole year

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36.3 Details of outstanding balances:

36.3.1 Outstanding balances with group companies

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	As at 31 March 2022
Amount receivable including interest accrued		
- From holding company and its associates	2,625.23	2,479.42
- From associates	1,215.49	1,398.83
- From associates (under incorporation)	53.11	102.43
Borrowings from holding company (including interest accrued)	1,039.18	1,271.80
Amount payable/(receivable) to PFC	230.06	(94.32)

36.3.2 Outstanding balances with entities under the control of same government

(Rs. in lakh)

Particulars	**For the year ended 31 March 2023**	**As at 31 March 2022**
Amount payable/(receivable) to/from		
SBI Capital Markets Limited	(0.19)	225.34
MSTC Limited	75.76	69.25
Railtel Enterprises Ltd	-	27.09
NTPC Vidyut Vyapar Nigam Limited	196.25	197.88
NHPC Limited	-	3.54
Power Grid Corporation of India Limited	5.90	-

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 group companies are generally at the terms, conditions and principles applicable for consultancy services provided to other parties

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37 Financial Instruments

37.1 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.

37.2 Categories of financial instruments

Financial assets and liabilities (Rs. in lakh)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Financial assets measured at amortised cost			
Cash and cash equivalents	11	5,675.49	5,234.16
Other Bank Balances	12	3,056.20	1,098.62
Trade receivables	10	5,817.46	3,107.50
Loans	13	-	0.09
Other financial assets (current and non-current)	6	2,845.58	2,650.22
Total		**17,394.73**	**12,090.59**
Financial liabilities measured at amortised cost			
Borrowings (current and non-current)	19	1,039.18	1,271.80
Trade payables	21	1,063.53	1,408.30
Lease Liabilities (current and non-current)	20	818.23	1,023.03
Other Financial Liabilities	22	7,503.63	7,699.47
Total		**10,424.57**	**11,402.60**

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

37.3 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. The Company has the overall responsibility for establishing and governing the Company's risk management. For managing these risks, the management 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 a positive cash balance throughout the year ended 31 March 2023 and 31 March 2022.

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

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i) Trade Receivables

The trade receivables of the company comprises mainly amount recoverable from the State Government entities. The Company considers that the exposure to state sector have a low credit risk mainly due to low default/ loss history. Further, the presence of Government interest lowers the risk of non-recoverability.

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 upto 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 2023	4,349.63	287.01	2,105.59	6,742.23
Gross carrying amount as at 31 March 2022	1,687.96	529.39	1,786.38	4,003.74

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	896.24	746.78
-Impairment allowance reversal	-	-
-Impairment losses recognised	28.53	149.46
Balance at the end of the year	924.77	**896.24**

ii) Loans

The Company has given loans to its associates. Loan to associates are interest bearing loans given by way of allocation of expenditure and charging of manpower cost. The loan provided to related companies are collectible in full and risk of default is negligible. However, 100% impairment loss is provided for the loan to associates (ITPs) 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.5675.49 lakh (as at 31 March 2022 Rs 5234.16 lakh). The same are held with scheduled banks with good rating and hence the risk of default is managed.

iv) Deposits with banks

The Company held deposits with banks of Rs.4572.49 lakh (as at 31 March 2022 Rs 2536.99 lakh). In order to manage the risk, Company places deposits with only scheduled banks with good rating.

37.4 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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38 Leases

(Rs. in lakh)

S.No	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	Amortisation charge for right-of-use assets by class of underlying asset (Refer Note 4)	238.89	240.12
(b)	Interest expense on lease liabilities (Refer Note- 29)	88.42	97.83
(c)	The expense relating to short-term leases	-	-
(d)	The expense relating to leases of low-value assets	10.85	8.58
(e)	Total cash outflow for leases	304.08	301.81
(f)	The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset (Refer Note 4)	736.61	975.50

The table below shows the movement of lease liabilities during the year :

(Rs. in lakh)

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Opening balance	1,023.03	72.57
(b)	Additions during the year	-	1,194.49
(c)	Finance cost accrued during the year	88.42	97.83
(d)	Payment of lease liabilities(other than low value assets)	293.23	293.23
(e)	Lease liabilities adjusted on lease termination/modification	-	48.63
(f)	Closing balance	818.23	1,023.03
(i)	Non Current	593.10	818.23
(ii)	Current	225.13	204.80

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis as at 31.03.2023 :

(Rs. in lakh)

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Upto 1 year	293.23	293.23
(b)	1-5 years	656.25	949.48
(c)	More than 5 years	-	-

38.1 Lease premises for the employee's residence is a part of their compensation and is not considered here as the same is included in Salary & Allowances (refer note 28-Employee Benefit Expenses).

38.2 Lease upto Rs.1 lakh per month per asset has been considered as low value lease.

39 **Assets classified as Held for Sale**

PFCCL has been appointed as Bid Process Coordinator for the Independent Transmission Projects notified by Ministry of Power.

A new SPV is incorporated whenever a new scheme is notified by MoP. After incorporating, the SPV is transferred to the successful Bidder after going through certain stages:

I. RFQ
II RFP
III. Reverse Auction Bidding
IV. Issue of LoI
V. Share Transfer Agreement

As per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", any asset or disposal group are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and sale is considered highly probable.

Accordingly, these SPVs are considered as Disposal group as per Ind AS 105 as and when the management initiates the process for the transfer of SPV i.e. date of issue of RFQ/RFP. The investment in equity along with the loan and interest accrued on the same is considered as asset held for sale and are presented separately as per the requirement of statute.

40 **Contingent Liabilities**

(Rs. in lakh)

S. No.	Description	As at 31 March 2023	As at 31 March 2022
(a)	Claims against the company not acknowledged as debt #	18.16	18.16
(b)	Guarantees excluding financial guarantees	-	-
(c)	Others		
(i)	Bank Guarantee issued (against 100% margin)	283.96	230.97
(ii)	Disputed income tax matter under appeal *	267.23	265.73

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* Comprising of tax demand raised by income tax authorities for assessment order passed for financial year 2016-17 Rs. 265.73 lakhs (previous year Rs. 265.73 lakhs) and for financial year 2019-20 Rs. 1.50 lakhs (previous year Rs. Nil) against which company has filed appeal with Commissioner of Income Tax (Appeals) and as on balance sheet date the matter is pending in appeal. The company is hopeful to get full relief in the appeal and no cash outflow in this regard is anticipated.

\# The previous Statutory Auditor of the company for FY 2019-20 has claimed an amount of Rs. 21.16 lakhs towards audit fee against the approved audit fee of Rs. 3.00 lakhs. During the financial year the company has paid/settled the approved audit Fees of Rs. 3.00 lakhs. Therefore the claim raised by auditor net of fees already paid is disclosed as claim against the company not acknowledged as debt.

41 **Capital and other commitments** (Rs. in lakh)

S. No.	Description	As at 31 March 2023	As at 31 March 2022
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	60.28	2,519.19
(b)	Other Commitments	-	-

42 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 2023	As at 31 March 2022
(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	66.63	110.68
	- 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	-	-

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2023 (Nil as at 31.03.2022). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

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43 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)

44 **Corporate Social Responsibility (CSR) Expenses**

44.1 As per provisions of Section 135 of the Companies Act 2013 read with rules, the company is required to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The details of CSR expenses are as under:

(Rs. in lakh)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
(i)	Amount required to be spent by the company during the year	112.93	99.90
(ii)	Amount of expenditure incurred (note 44.2)		
	- on construction/acquisition of assets	-	-
	- on purpose other than above	112.93	99.90
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	Not applicable	Not applicable
(vi)	Nature of CSR activities	PM Cares Fund	PM Cares Fund
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii)	Details of movements in provision for CSR expenses during the year:		
	Opening balance	74.89	104.56
	Add: Provision during the year	112.93	99.90
	Add: Interest on unspent CSR fund	1.71	1.70
	Balance	**189.53**	**206.16**
	Amount paid during the year:		
	For current year	112.93	99.90
	For previous year	31.37	31.37
		144.30	131.27
	Closing balance	45.24	74.89

44.2 In accordance with amendments made in CSR provisions by Ministry of Corporate Affairs (MCA) w.e.f. 22.01.2021 any unspent amount pursuant to any ongoing project must be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years, failing which it shall transfer the balance amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be set off in three succeeding financial years against the amount to be spent.

As the notification is made effective during FY 2020-21, the Company is complying with the amended provisions of Section 135 of the Companies Act, 2013 with effect from financial year 2020-21. Further, the unspent CSR amount as at 31.03.2020 is required to be dealt with in accordance with the pre-amendment framework. However, no amount is pending for CSR activities for period upto 31st March 2020 as also disclosed in Annual Report for CSR activities of the Company.

As per amended provisions, provision for CSR expenditure for FY 2020-21 Rs.104.56 lakhs was made and the amount was transferred in a separate bank account within 30 days from the end of financial year out of which unutilized amount lying in separate bank account as at the end of Financial year is Rs. 44.94 lakhs (Previous year Rs. 74.72 lakhs). The difference in provision and bank balance is due to TDS deducted by bank on interest income.

44.3 Total CSR expenditure booked in Statement of Profit & Loss:

(Rs. in lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
CSR expenditure for the year	112.93	99.90
CSR expenditure for period upto 31.03.2020 as per the pre-amendment framework:		
On Purposes other than Construction / Acquisition of any asset i.e Financial Assistance for Skill development training of unemployed youth belonging to SC/ST/OBC/PWD Women/EWS Categories through Indo German Institute of Advance Technology	-	69.60
CSR expenditure debited in Statement of Profit & Loss	**112.93**	**169.50**

45 **Balance Confirmation from parties**

The company has sent letters to various parties under trade receivables, advances, payables, bankers etc. for confirmation of balances as at 31.03.2023. Status of confirmation received from these balances as on date of approval of financial statements are as under: -

(Rs. in lakh)

Particulars	Amount as on 31.03.2023	Confirmed	Not Confirmed	Amount as on 31.03.2022	Confirmed	Not Confirmed
Loans (current and non current)	-	-	-	0.09	0.09	(0.00)
Other financial assets (current and non current)	2,845.58	2,735.74	109.84	2,650.22	2,594.50	55.72
Trade receivables	5,817.46	1,346.71	4,470.75	3,107.50	1,399.29	1,708.21
Cash and cash equivalents	5,675.49	5,675.49	-	5,234.16	5,234.16	-
Bank balances other than cash and cash equivalents	3,056.20	3,056.20	-	1,098.62	1,098.62	-
Other current assets	734.68	-	734.68	1,139.03	-	1,139.03
Trade payables	1,063.53	355.91	707.62	1,408.30	911.65	496.65
Other financial liabilities	7,503.63	3,076.87	4,426.76	7,699.47	2,747.45	4,952.02

In respect of balances for which confirmation is pending for receipt, management is of the view that there will not be any significant variation in the balances and therefore no adjustment in carrying value is required.

46 Prior period items:

As per requirements of Ind AS 8, Company has corrected Material prior period(s) errors retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. The details of prior period errors and their impact on financial statements are as under:

(Rs. in lakh)

S. No.	Particulars	As on 31.03.2022 as per last audited Balance Sheet	Prior period items	As on 31.03.2022 Restated	Remark
A	Balance Sheet (relevant items)				
	Equity & Liability				
	Other equity (Retained earnings)	11,125.28	(82.06)	11,043.22	Net effect on retained earnings of prior period errors
	Trade payables	1,326.24	82.06	1,408.30	Liability towards prior period expenses provided
	Total		-		
B.	Statement of Profit & Loss for year ending 31.03.2022 (relevant items)				
	Consultancy service expenses (Note 27)	1,171.74	82.06	1,253.80	consultancy service expense of FY 2021-22 provided for
	Profit before tax	5,110.80	(82.06)	5,028.74	Net effect of prior period items on profit before tax
	Tax expenses:				
	Current tax	1,373.59	-	1,373.59	NIL effect
	Income tax adjustment for earlier years	0.62	-	0.62	NIL effect
	Deferred tax	(30.97)	-	(30.97)	NIL effect
	Total tax expenses	1,343.24	-	1,343.24	NIL effect
	Profit after tax	3,767.56	(82.06)	3,685.50	Net effect of prior period items on profit after tax
	Earnings per share (Basic & Diluted)	7,211.19	(157.06)	7,054.13	Net effect of prior period items

47 Ratios

Details of ratios are as under: -

	Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Variance %	Reasons for variance > 25%
(a)	Current Ratio	Current Assets	Current Liabilities	1.81	1.36	33.51	Increased due to increase in current assets mainly trade receivables and bank balance on improved profitability
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.12	-44.60	Improved due to repayment of loan and improved profitability
(c)	Debt Service Coverage Ratio	Earnings available for debt service=Net profit after tax + Depreciation and amortisation expense + Finance cost + loss on sale of PPE	Debt Service=Finance Cost + lease payments + Principal repayment	10.57	10.54	0.33	
(d)	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	46.63%	37.25%	25.17	Improved due to improved profitability
(e)	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	N.A	N.A	N.A	
(f)	Trade Receivables turnover ratio	Net Credit Sales	Avg. Trade Receivables	2.98	2.91	2.43	
(g)	Trade payables turnover ratio	Net Credit Purchases of services	Average Trade Payables	2.17	1.60	36.17	Increased due to increase in net credit purchases
(h)	Net capital turnover ratio	Net Sales	Working Capital	1.68	2.34	-28.40	Decreased due to increase in working capital mainly trade receivables
(i)	Net profit ratio	Net Profit after taxes	Net Sales	47.97%	43.29%	10.81	
(j)	Return on Capital employed	Earning before interest and taxes	Capital Employed *	49.25%	40.78%	20.77	
(k)	Return on investment	Return	Investment	N.A	N.A	N.A	

* Capital employed = Tangible networth + Total debt + Deferred tax liability

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48 Additional disclosures as per Division II of Schedule III of Companies Act 2013

S.NO.	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Title deeds of immovable properties not held in the name of the Company	Not Applicable	Not Applicable
b)	Detail of Revaluation of investment property, property plant & equipment, intangible assets	NIL	NIL
c)	Detail of any loan given to promoters, director & KMP which is repayable on demand or without specifying terms / period of repayment	NIL	NIL
d)	Details of Intangible assets under development	NIL	NIL
e)	Details of Benami property held	NIL	NIL
f)	Detail of quarterly return or statements of current asset filed by company with banks or financial institution	NIL	NIL
g)	Relationship with struck off Companies	NIL	NIL
h)	Detail of pending registration of charge or satisfaction with Registrar of Companies (ROC)	NIL	NIL

49 In respect of smart metering project, HPSEB Limited has intimated vide letter dated 09-03-2023 regarding deduction of liquidated damages (LD) of Rs 87.69 lakhs from monthly bills raised on it. The company has duly contested such deduction and is taking up the matter with HPSEB Limited and therefore no effect of the same has been accounted for in the financial statements as the company is hopeful of positive result. However, such LD deduction is not likely to have any effect on its financials as the same will be deducted by the company from bills of its sub-contractor.

50 **Incorporation of Associate Companies**

Independent Transmission Projects(ITPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these ITPs unilaterally. The Company therefore, considers its investment in respective ITPs as an associate having significant influence despite the Company holding 100% of their paid-up equity share capital. However, for the purpose of the Companies Act, these ITPs have been classified as subsidiary companies. During the financial year 2022-23 and preceding financial year, following associates (ITP) have been incorporated:

(Rs. in lakh)

Company Name	Year ended 31.03.2023			Year ended 31.03.2022		
	Date of Incorporation	Share in ownership	Investment in Share Capital	Date of Incorporation	Share in ownership	Investment in Share Capital
Siot Transmission Limited	27-04-2022	100%	1.00	-	-	-
Fatehgarh III Beawar Transmission Limited	05-05-2022	100%	1.00	-	-	-
Beawar Dausa Transmission Limited	06-05-2022	100%	1.00	-	-	-
Khandukhal Rampura Transmission Limited	13-05-2022	100%	1.00	-	-	-
Fatehgarh III Transmission Limited	18-05-2022	100%	1.00	-	-	-
Bhadla III Transmission Limited	27-05-2022	100%	1.00	-	-	-
Fatehgarh IV Transmission Limited	08-06-2022	100%	1.00	-	-	-
Dharamjaigarh Transmission Limited	18-11-2022	100%	1.00	-	-	-
Raipur Pool Dhamtari Transmission Limited	18-11-2022	100%	1.00	-	-	-
Kishtwar Transmission Limited	-	-	-	15-04-2021	100%	1.00
Nangalbibra-Bongaigaon Transmission Limited	-	-	-	09-04-2021	100%	1.00
Mohanlalganj Transmission Limited	-	-	-	08-06-2021	100%	1.00
Chhatarpur Transmission Limited	-	-	-	25-01-2022	100%	1.00
Khavda-Bhuj Transmission Limited	-	-	-	17-05-2021	100%	1.00

51 **Transfer/Disinvestment of Associate Companies**

Name of the Company	Year ended 31.03.2023		Year ended 31.03.2022	
	Date of Incorporation	Date of transfer to successful bidder	Date of Incorporation	Date of transfer to successful bidder
Khetri-Narela Transmission Limited	15-05-2020	11-05-2022		
Mohanlalganj Transmission Limited	08-06-2021	30-05-2022		
Khandukhal Rampura Transmission Limited	13-05-2022	07-10-2022		
Kishtwar Transmission Limited	15-04-2021	06-12-2022	-	-
Bhadla Sikar Transmission Limited	13-05-2020	28-03-2023	-	-
Dharamjaigarh Transmission Limited	18-11-2022	28-03-2023	-	-
Raipur Pool Dhamtari Transmission Limited	18-11-2022	28-03-2023	-	-
Sikar-II Aligarh Transmission Limited	-	-	17-05-2020	08-06-2021
Koppal-Narendra Transmission Limited	-	-	18-11-2019	13-12-2021
Nangalbibra-Bongaigaon Transmission Limited	-	-	09-04-2021	16-12-2021
Khavda-Bhuj Transmission Limited	-	-	17-05-2021	18-01-2022
Karur Transmission Limited	-	-	20-11-2019	18-01-2022

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52 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		Share in profit and loss	
	As % of	Amount	As % of consolidated	Amount
Parent Company				
PFC Consulting Limited	100.00%	16,308.88	100.00%	6,380.93
Indian Associates (Investment as per the equity method) :				
Tanda Transmission Company Limited	0.00%	-	0.00%	0.00
Shongtong Karcham-Wangtoo Transmission Limited	0.00%	-	0.00%	0.00
Bijawar-Vidarbha Transmission Limited	0.00%	-	0.00%	0.00
Less : Investment in associates	0.00%	-	0.00%	0.00
Total	100.00%	16,308.88	100.00%	6,380.93

53 The Group has 8 wholly owned subsidiaries as on 31 March 2023 (as at 31 March 2022 nine) registered for Independent Transmission Projects formed as special purpose vehicle (SPVs) These subsidiaries have been treated as "Associates" for the purpose of consolidation, 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. 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 2023. The details of these associates as on 31 March 2023 are given below :

Name of the Company	% of holding	Place of Incorporation/ Principal place	Status
Ananthpuram Kurnool Transmission Limited	100%	India	Held for sale as per Ind AS 105
Chhatarpur Transmission Limited	100%	India	Held for sale as per Ind AS 105
Beawar Dausa Transmission Limited	100%	India	Held for sale as per Ind AS 105
Bhadla III Transmission Limited	100%	India	Held for sale as per Ind AS 105
Fatehgarh IV Transmission Limited	100%	India	Held for sale as per Ind AS 105
Fatehgarh III Transmission Limited	100%	India	Held for sale as per Ind AS 105
Fatehgarh-III Beawar Transmission Limited	100%	India	Held for sale as per Ind AS 105
SIOT Transmission Limited	100%	India	Held for sale as per Ind AS 105

Although ITPs are wholly owned subsidiaries under the Companies Act - 2013, these have been consolidated as 'associates' using equity method (other than held for sale) and have applied uniform accounting policies for like transactions. Further, in respect of an associate namely Bijawar-Vidarbha Transmission Limited, application has been filed with MCA for striking off.

54 **Standards/ amendments issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified amendment to existing Indian Accounting Standards on dated 31.03.2023 applicable w.e.f. 01.04.2023. The Company does not expect the amendments to have any significant impact on its financial statements.

55 Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year classification.

56 **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

(Sachin Arora)	**(Milind M.Dafade)**	**(Manoj Kumar Rana)**	**(Rajiv Ranjan Jha)**	**(Ravinder Singh Dhillon)**
Company Secretary	Chief Finance Officer	Chief Executive Officer	Director	Chairman
M.No.A26459			(DIN 03523954)	(DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

PFC CONSULTING LIMITED NEW DELHI

(Anagh Gupta)
Partner
M. No. 418781

K P M C & ASSOCIATES FRN 005359C Chartered Accountants

Place: New Delhi
Date: - 22-05-2023

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	Chhatarpur Transmission Limited	Fatehgarh III Transmission Limited	Ananthpuram Kurnool Transmission Limited	Fatehgarh III Beawar Transmission Limited	Siot Transmission Limited	Bhadla III Transmission Limited	Beawar Dausa Transmission Limited	Fatehgarh IV Transmission Limited
1.	Latest audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
2.	Shares of Associate held by the company on the year end								
	No. of shares	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Amount of Investment in Associates	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Extend of Holding %	100%	100%	100%	100%	100%	100%	100%	100%
3.	Description of how there is significant influence	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control
4.	Reason why the associate is not consolidated	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	0.84	0.84	0.86	0.83	0.84	0.84	0.84	0.54
6.	Profit / Loss for the year								
i)	Considered in Consolidation	0.16	0.16	-	0.17	0.16	0.16	0.16	0.46
ii)	Not Considered in Consolidation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:

i) All the ITPs are under pre-operative Stage and yet to commence operations.

ii) The Following 9 Companies were incorporated during the year:
- Siot Transmission Limited
- Fatehgarh III Beawar Transmission Limited
- Beawar Dausa Transmission Limited
- Fatehgarh III Transmission Limited
- Bhadla III Transmission Limited
- Fatehgarh IV Transmission Limited
- Khandukhal Rampura Transmission Limited
- Dharamjaigarh Transmission Limited
- Raipur Pool Dhamtari Transmission Limited

iii) The following ITPs has been transferred during the year:
- Khetri-Narela Transmission Limited transferred to PowerGrid Corporation of India Limited on 11th May 2022
- Mohanlalganj Transmission Limited transferred to PowerGrid Corporation of India Limited on 30th May 2022
- Khandukhal Rampura Transmission Limited transferred to Megha Engineering Private Limited on 07th October 2022
- Kishtwar Transmission Limited transferred to Sterlite Grid 26 Limited on 06th December 2022
- Bhadla Sikar Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023
- Dharamjaigarh Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023
- Raipur Pool Dhamtari Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023

For and on behalf of Board of Directors

(Sachin Arora) Company Secretary M.No.A26459	(Milind M.Dafade) Chief Finance Officer	(Manoj Kumar Rana) Chief Executive Officer	(Rajiv Ranjan Jha) Director (DIN 03523954)	(Ravinder Singh Dhillon) Chairman (DIN 00278074)

As per our report of even date attached
For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)

(Anagh Gupta)
Partner
M. No. 418781

PFC CONSULTING LIMITED NEW DELHI

Place. - New Delhi
Date: - 22-05-2023

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