

# 8<sup>TH</sup> ANNUAL REPORT 2015-16



## **Vision**

To become the leading advisor and partner of choice in the Power and Infrastructure sectors.



## **Mission**

To achieve the highest standards in end to end consulting solutions, consistent with long term interests of power and infrastructure sectors, by harnessing intellectual capabilities and nurturing the best minds within the organization.



## CONTENTS

1.	Corporate Information .....	1
2.	Letter to Shareholders .....	2
3.	Notice .....	5
4.	Directors' Report .....	11
5.	Management Discussion and Analysis Report .....	38
6.	Report on Corporate Governance .....	43
7.	Auditor's Report .....	48
8.	Comments of Comptroller & Auditor General of India (C&AG) .....	57
9.	Financial Statements .....	59

## CORPORATE INFORMATION

### Board of Directors

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

### Chief Executive Officer

Shri Prem Prakash Srivastava

### Company Secretary

Ms. Rachna Gupta Singh

### Subsidiaries

Tanda Transmission Company Limited  
Ballabgarh-GN Transmission Company Limited  
Mohindergarh-Bhiwani Transmission Limited  
South-Central East Delhi Power Transmission Limited  
Medinipur- Jeerat Transmission Limited  
Kohima-Mariani Transmission Limited

### Statutory Auditors

M/s V.K. Verma & Co.

### Bankers

Allahabad Bank  
Dena Bank  
HDFC Bank  
ICICI Bank  
Kotak Mahindra Bank  
Punjab National Bank  
RBL Bank  
State Bank of Hyderabad  
State Bank of India  
Yes Bank

### Registered Office

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

### Website:

[www.pfcclindia.com](http://www.pfcclindia.com)

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

**LETTER TO SHAREHOLDERS****Ladies and Gentlemen,**

It gives me great pleasure in welcoming you all to the 8<sup>th</sup> Annual General Meeting of your Company.

**OVERVIEW OF POWER SECTOR**

The fiscal 2015 and 2016 saw significant achievements for Indian power sector with (i) highest capacity addition in over two years, of 46,543 MW (ii) power generation growth of more than 8%, (iii) power deficit reduced to 2.1%, the lowest ever (iv) highest ever increase in transmission lines to 50,215 ckm in last two years (v) highest ever increase in sub-station capacity over two years to 1,28,403 MVA (vi) highest coal production average growth of 7.7% in last 2 years (vii) first time ever exceeded renewable capacity addition targets.

Indian power sector, however, is still grappling with structural challenges like fuel supply issues, weak financial health of State distribution utilities, stressed projects & balance sheets of power developers. Govt. of India has already introduced several reform initiatives and measures to address the issues of power sector, which includes (i) 24X7 affordable environment friendly 'Power for All' (ii) Elimination of coal shortage due to highest ever growth in coal production of 7.4 crore tonnes during the last two years in the country, with target of doubling coal production to 100 crore tonnes by 2020, (iii) UDAY (Ujwal DISCOM Assurance Yojana) for improvement in financial and operational efficiencies of State Power Distribution Companies (DISCOMs) (iv) UJALA (Unnat Jyoti by Affordable LEDs for All) Yojana, which will replace 77 crore bulbs with energy efficient LED bulbs by 2019, (v) World's largest renewable energy expansion programme with a target to increase overall renewable capacity by more than 5 times from 32,000 MW in 2014 to 1,75,000 MW in 2022, (vi) The Government has also amended the National Tariff Policy in Jan, 2016 with the focus on 4 Es i.e. Electricity for all, Efficiency to ensure affordable tariffs, Environment for a sustainable future, Ease of doing business to attract investments and ensure financial viability.

On the renewable energy front, Solar power capacity has increased by 157% since 2014. 33 solar parks with capacity of 20,000 MW in 20 States are under development. Green energy corridors are being rolled out with an investment of ₹ 38,000 Crore to ensure power evacuation from renewable energy plants.

On the power transmission front, Govt. approved National Smart Grid Mission to bring efficiency in power supply network and reduce losses and outages. The activities under the same include development of smart grid, micro grids, consumer engagement and training & capacity building. Further, transmission projects of about ₹ 1,00,000 Crore have been initiated in 2015-16. To have a comprehensive transmission infrastructure, a 20 year transmission plan has been formulated by CEA (Central Electricity Authority) and is being considered for implementation.

**PERFORMANCE HIGHLIGHTS**

During the financial year under review, the total income of the Company has increased from ₹ 4,939.62 Lakh to ₹ 7,355.25 Lakh showing an increase of 48.90 %. During the year, the Company has earned other income of ₹ 1,329.45 Lakh which includes interest on deposit



of surplus funds with banks amounting to ₹ 1,272.83 Lakh and miscellaneous income of ₹ 56.61 Lakh. The Profit after Tax also increased from ₹ 2,170.39 Lakh in the previous financial year to ₹ 3,705.75 Lakh in the current financial year.

## **OPERATIONAL HIGHLIGHTS**

### **Consultancy Assignments**

Your Company is continuously endeavoring to keep being identified as one of the premier consulting organizations 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.

Your Company has worked on over 96 assignments for 54 Clients spread across 23 States/UTs of India namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Tripura, Telangana, Uttar Pradesh and West Bengal.

### **Ultra Mega Power Projects (UMPPs)**

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

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

Till date, PFC has incorporated 19 Special Purpose Vehicles (SPVs) which were established by the Company for project development activities of UMPPs. Out of these, 14 SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated by PFC for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPPs) and for holding land for power plant/port in case of imported coal based UMPP (Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects. Out of these 19 (nineteen) SPVs, 4 (Four) SPVs have been transferred to the successful bidders.

Your Company has facilitated review & finalization of Standard Bidding Documents (SBDs) for Case 2 (UMPPs) by Expert Committee. The recommendations of the Expert Committee have submitted to Ministry of Power for its consideration.

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

Since the date of the last Directors' Report, Ministry of Power has appointed your Company as the Bid Process Coordinator (BPC) for three new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. Your Company has incorporated three (3) SPVs as its wholly owned subsidiaries for these projects as per following details:

Sl. No	Project Name	Name of SPV	Date of Incorporation
1	Creation of new 400kV GIS Substations in Gurgaon and Palwal area as a part of ISTS	Gurgaon-Palwal Transmission Ltd	26.10.2015
2	North-Eastern Region strengthening scheme (NERSS VI)	Kohima-Mariani Transmission Ltd	22.01.2016
3	765 kV system strengthening scheme in eastern region (ERSS XVIII)	Medinipur-Jeerat Transmission Ltd	22.01.2016

Since the date of last Directors' Report, the Company has transferred Six (06) of its wholly owned subsidiaries as per the details given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	Sipat Transmission Ltd.	Adani Power Ltd.	23.11.2015
2.	Raipur-Rajnandgaon-Warora Transmission Ltd.	Adani Power Ltd.	23.11.2015
3.	Chhattisgarh-WR Transmission Ltd.	Adani Power Ltd.	23.11.2015
4.	Odisha Generation Phase-II Transmission Ltd.	Sterlite Grid 3 Ltd.	08.04.2016
5.	Warora-Kurnool Transmission Ltd.	Essel Infraprojects Ltd.	06.07.2016
6.	Gurgaon-Palwal Transmission Ltd.	Sterlite Grid 4 Ltd.	14.07.2016

## **CORPORATE GOVERNANCE**

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

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

## **ACKNOWLEDGEMENTS**

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

I take this opportunity to put on record my gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. I am also thankful to Comptroller & Auditor General of India, Ministry of Power, Government of India, Statutory Auditors, Bankers and Power Finance Corporation Limited (Holding Company) for their unstinted co-operation and support. Your Company would not have reached the position where it is today in its 8<sup>th</sup> year of operation without the unstinted support of a motivated and highly committed workforce of the Company.

**(M.K. Goel)**  
Chairman



**PFC CONSULTING LIMITED**

(A wholly owned subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of PFC Consulting Limited will be held on Tuesday, the 16<sup>th</sup> day of August, 2016 at 12:30 PM at Urjanidhi, 1 Barakhamba Lane, 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 31<sup>st</sup> March, 2016, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri R. Nagarajan, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed/to be appointed by Comptroller and Auditor General of India for the Financial Year 2016-17, as may be deemed fit by the Board."

**SPECIAL BUSINESS**

4. To appoint Shri D. Ravi (DIN: 00038452) as Director of the company and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri D. Ravi, who was appointed as an Additional Director w.e.f. 1st December, 2015 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To enhance the Authorised Share Capital to ₹ 10 Lakh (Rupees Ten Lakh only) and to alter the Memorandum of Association of the Company by substituting the existing Clause V and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**"RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the rules framed there under, the consent be and is hereby accorded, for increase in Authorized Share Capital of the Company from existing ₹ 5,00,000/- (Rupees Five Lacs only) divided into 50,000 (Fifty Thousand) Equity Shares of ₹ 10/- each to ₹ 10,00,000/- (Rupees Ten Lacs only) divided into 1,00,000 (One Lac) Equity Shares of ₹ 10/- each by creation of additional 50,000 (Fifty Thousand) Equity

Shares of ₹ 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the rules framed there under, the consent be and is hereby accorded for substituting existing Clause V of the Memorandum of Association of the Company with the following new clause:

“Clause V: The Authorized Share Capital of the Company is ₹ 10,00,000/- (Rupees Ten Lakhs only) divided into 1,00,000 (One Lac) Equity Shares of ₹ 10/- (Rupees Ten only) each.”

**By order of the Board of Directors  
For PFC Consulting Limited**

**Sd/-  
(Rachna Gupta Singh)  
Company Secretary**

Date: 03.08.2016

Place: New Delhi

**Notes:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. The relevant details as required under Secretarial Standard-2, regarding the Directors seeking re-appointment/appointment of Director under item No. 2&4 of the Notice is also annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting. Blank proxy form is enclosed. Proxy so appointed shall not have any right to speak at the meeting.
3. Pursuant to Section 139(5) of Companies Act, 2013 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) within a period of 180 days from the commencement of the financial year and in terms of section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting. The members may authorize the Board of Directors of the Company to fix an appropriate remuneration of auditors appointed by the Comptroller and Auditor General of India for the financial year 2016-17.

4. In accordance with the provisions of SS-2 – Secretarial Standard on General Meetings, the request for consenting to shorter notice of the members for calling Annual General Meeting is enclosed with the Notice. Further, the eighth Annual General Meeting of PFC Consulting Limited shall be held, if the consent is received prior to the date fixed for the Meeting from not less than ninety five percent of the Members entitled to vote at such meeting.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013****Item No. 4**

Chairman/CMD, PFC nominated Shri D. Ravi, Director (Commercial) PFC as Director on the Board of Directors of the Company pursuant to the authorization given by the Articles of Association of the Company. Accordingly, Shri D. Ravi was inducted on the Board as additional Director w.e.f. 1<sup>st</sup> December, 2015.

Pursuant to the provision of section 161(1) and other applicable provisions of the Companies Act, 2013, Shri D. Ravi will hold office till the date of ensuing Annual General Meeting. The compliance with respect to the provisions of section 160 of the Companies Act 2013 has been made for the appointment of Shri D. Ravi as Director of the company.

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

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

**Item No. 5**

The Board of Directors in their 47<sup>th</sup> meeting held on 21<sup>st</sup> December, 2015 approved the draft scheme of amalgamation of PFCCAS with PFCCL. Consequent to the merger of PFCCAS with PFCCL, 1935 (One Thousand Nine Hundred and Thirty Five) equity shares of ₹10/- each of Company are required to be issued to the members of PFCCAS. Presently, the authorized share capital of the Company is ₹ 5,00,000/- (Rupees Five Lakhs only) and for allotment of shares to the shareholders of PFCCAS, the authorized share capital of the Company is required to be increased.

Keeping in view the above, it was considered desirable to increase the authorized share capital of the Company. The Board of Director of PFCCL in their 49<sup>th</sup> Meeting held on 3<sup>rd</sup> March 2016 accorded their approval for the increase in authorized Share capital of the Company subject to the approval of Power Finance Corporation Limited (PFC), the Holding Company and shareholders in the General meeting. Further the Board of Directors of PFC in their 347<sup>th</sup> meeting held on 16<sup>th</sup> May, 2016 also accorded their approval for the same.

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

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

**By order of the Board of Directors  
For PFC Consulting Limited**

**Sd/-  
(Rachna Gupta Singh)  
Company Secretary**

Date: 03.08.2016  
Place: New Delhi

### Details of Director(s) seeking re-appointment/appointment at the forthcoming Annual General Meeting of PFC Consulting Limited

Name of Director	Shri Radhakrishnan Nagarajan	Shri D. Ravi
Date of Birth	18.05.1957	24.05.1958
Date of Appointment	21.10.2008	01.12.2015
Relationship with Directors	None	None
Qualification	B.COM, C.A. and C.A. IIB	B.E. (Electrical Engineering)
Experience	<p>Shri R. Nagarajan has more than three decades of experience having worked in Andhra Bank and in Power Finance Corporation Ltd. at different positions.</p> <p>Shri Nagarajan had overseen various business activities relating to Initial Public offer, Resource Mobilization, Banking Treasury, Disbursement, Recovery, Internal Audit, Power Exchange, Asset Liability and Risk Management etc.</p> <p>He was also President of the Project Monitoring Society and Treasurer of the World Energy Council, India.</p>	<p>Shri D. Ravi has more than 35 years of experience in power sector and carries with him rich experience in the field of Project &amp; Entity Appraisal, Legal &amp; Documentation, Technology &amp; System Development, IT implementation etc.</p>
Directorships in other companies	<ul style="list-style-type: none"> <li>• Power Finance Corporation Limited</li> <li>• PFC Green Energy Limited</li> <li>• PFC Capital Advisory Services Limited</li> <li>• Coastal Tamil Nadu Power Limited</li> <li>• Deoghar Mega Power Limited</li> <li>• Cheyyur Infra Limited</li> <li>• Bihar Mega Power Limited</li> <li>• Bihar Infrapower Limited</li> <li>• PTC India Financial Services Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Power Finance Corporation Limited</li> <li>• PFC Capital Advisory Services Limited</li> <li>• PFC Green Energy Limited</li> <li>• Coastal Karnataka Power Limited</li> <li>• Jharkhand Infrapower Limited</li> <li>• Power Equity Capital Advisors Private Limited</li> </ul>

<b>Chairman/ Membership of Committees across all public companies</b>	<b>Power Finance Corporation Limited</b> Member, Audit Committee Member, Investors' Grievance Committee of Directors	<b>Power Finance Corporation Limited</b> Member, Audit Committee Member, Investors' Grievance Committee of Directors
	<b>PFC Green Energy Limited</b> Chairman, Audit Committee Chairman, CSR Committee Member, Nomination and Remuneration Committee Member, Risk Management Committee	<b>PFC Green Energy Limited</b> Member, Audit Committee Member, CSR Committee Member, Nomination and Remuneration Committee Member, Risk Management Committee
	<b>PFC Capital Advisory Services Limited</b> Chairman, Audit Committee Chairman, CSR Committee	<b>PFC Capital Advisory Services Limited</b> Member, Audit Committee Member, CSR Committee
<b>Number of Shares held in the company as on 31<sup>st</sup> March 2016#</b>	None	100 Equity Shares

**# Nominee of Power Finance Corporation Limited**

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



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

**DIRECTORS' REPORT 2015-16**

To

The Members,

The Directors have pleasure in presenting the 8<sup>th</sup> Annual Report on the performance of your Company for the financial year 2015-16 together with Audited Statements of Accounts and Auditors Report thereon for the financial year ended 31<sup>st</sup> March, 2016.

**FINANCIAL HIGHLIGHTS**

(Figures in ₹ Lakh)

Sl. No.	Particulars	2015-16	2014-15	% Change
1.	Total Income	7,355.25	4,939.62	48.90↑
2.	Total Expenditure	1,645.39	1,606.55	2.42↑
3.	Profit Before Tax	5,709.86	3,333.07	71.31↑
4.	Provision for Tax			
	- Current Tax	1,994.88	1,151.40	--
	- Deferred Tax	9.24	11.28	--
5.	Profit After Tax	3,705.75	2,170.39	70.74↑
6.	Profit brought forward from previous years	15,103.14	12,933.21	--
7.	Accumulated Profit carried to Balance Sheet	18,808.89	15,103.14	--

**FINANCIAL PERFORMANCE**

**i) Revenue**

During the financial year under review, the total income of the Company has increased from ₹ 4,939.62 Lakh to ₹ 7,355.25 Lakh showing an increase of 48.90 %. During the year, the Company has earned other income of ₹ 1,329.45 Lakh which includes interest on deposit of surplus funds with banks amounting to ₹ 1,272.83 Lakh and interest on loans to subsidiary companies amounting to ₹ 56.61 Lakh.

**ii) Expenses**

During the financial year 2015-16, the Company incurred total expenditure of ₹ 1,645.39 Lakh as against the total expenditure of ₹ 1,606.55 Lakh incurred last year showing an increase of 2.42 %.

**iii) Profit**

During the financial year 2015-16, your company earned Profit Before Tax of ₹ 5,709.86 Lakh as compared to ₹ 3,333.07 Lakh for the financial year 2014-15 showing an increase of 71.31 %. The Profit after Tax also increased from ₹ 2,170.39 Lakh in the previous financial year to ₹ 3,705.75 Lakh in the current financial year.

**iv) Dividend**

To conserve the resources for the business of the Company, your Directors have decided not to recommend any dividend for the financial year 2015-16 and to carry forward the profits to the Reserves and Surplus of the Company.

**v) Share Capital**

The paid-up share capital of the Company is ₹ 5, 00,000/- (Rupees Five Lakh only) comprising of 50,000 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 Sector including development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs). The operational highlights of PFCCL in chronological order are as follows:

1. Odisha Generation Phase – II Transmission Limited was incorporated as a wholly owned subsidiary for the project “Common Transmission System for Phase-II Generation Projects in Odisha and Immediate Evacuation System for OPGC (1320 MW) Project in Odisha” on 17.04.2015 and the bidding process was initiated.
2. Warora-Kurnool Transmission Limited was incorporated as a wholly owned subsidiary for the project “Additional inter- Regional AC link for import into Southern Region i.e Warora - Warangal and Chilakaluripeta Hyderabad- Kurnool 765 kV link” on 20.04.2015 and the bidding process was initiated.
3. PFCCL received a new assignment for providing assistance to MECON for Transaction Advisory Services for Joint Venture (JV) formation between Government of Jharkhand and NTPC Ltd. for Patratu Thermal Power Station (PTPS) in April 2015.
4. PFCCL received a new assignment for providing assistance to Govt. of Arunachal Pradesh to enable the State Government to decide on options from funding of equity in Hydro Electric Projects in April 2015.
5. PFCCL has received a new assignment as the review consultant for reviewing the techno commercial and legal conditions of bid documents for setting up of 1X660 MW Thermal Power Project at Panki, Kanpur (UP) in May 2015.
6. PFCCL received a new assignment for providing assistance to APEPDCL as Project Management Agency (PMA) for Integrated Power Development Scheme (IPDS) – Vizag in May, 2015. The bid process for appointment of partial turnkey contractor for three districts (Vishakhapatnam, Vizyanagram, Eluru) has been completed. Letter of Award for most of the supply and erection packages has been issued and Erection work has been started. For remaining two districts (Rajahmundry, Srikakulam), the bid process for appointment of partial turnkey contractor is in progress.
7. PFCCL received a new assignment for providing assistance to APSPDCL as Project Management Agency (PMA) for Integrated Power Development Scheme (IPDS) – Tirupati in June, 2015. The bid process for appointment of partial turnkey contractor for three districts (Guntur, Tirupati and Vijayawada) has been completed. Letter of Award for most of the supply and erection packages has been issued and erection work has been started. For remaining five districts (Anantapuramu, Kadapa, Kurnool, Nellore,

- Ongole), the bid process for appointment of partial turnkey contractor is in progress.
8. Special purpose vehicle (SPV) namely 'Deoghar Infra Ltd.' was incorporated on 30<sup>th</sup> June, 2015 for holding the land and coal blocks for 2<sup>nd</sup> UMPP in Jharkhand.
  9. SPV namely 'Bihar Infrapower Ltd.' was incorporated on 30<sup>th</sup> June, 2015 for holding the land and coal blocks for Bihar UMPP.
  10. SPV namely 'Bihar Mega Power Ltd.' was incorporated in on 9<sup>th</sup> July, 2015 for Bihar UMPP.
  11. PFCCL was appointed as Bid Process Coordinator for the project related to "creation of new 400 kV GIS substations in Gurgaon and Palwal areas as part of ISTS" by the Ministry of Power in July, 2015.
  12. Bidding process for Associated Transmission System for Tanda Expansion TPS (2X660 MW) was completed, and Letter of Intent for the project was issued to the successful bidder Essel Infraprojects Ltd on 09.10.2015.
  13. SPV Gurgaon-Palwal Transmission Ltd was incorporated as a wholly owned subsidiary for the project "400kV GIS Substations in Gurgoan and Palwal area as a part of ISTS" on 26.10.2015 and bidding process was initiated.
  14. PFCCL was appointed as a Bid Process Coordinator for the following Projects on 17<sup>th</sup> November, 2015 :-
    - i) North Eastern Region strengthening scheme (NERSS VI)
    - ii) 765 kV system strengthening scheme in eastern region (ERSS XVIII)
  15. Following three SPVs were transferred to Adani Power Ltd, the successful Bidders on 23<sup>rd</sup> November 2015 :-
    - i) Chhattisgarh-WR Transmission Limited
    - ii) Sipat Transmission Limited
    - iii) Raipur- Rajnandgaon-Warora Transmission Limited
  16. Regarding the assignment for Reform and Restructuring of JSEB, PFCCL has submitted draft Transfer Scheme (Jharkhand State Electricity Reforms Revised Transfer Scheme, 2015) and same was notified in the Jharkhand Official Gazette on 29.11.2015.
  17. SPV namely 'Jharkhand Infrapower Ltd.' was incorporated on 10<sup>th</sup> December, 2015 for holding the land and coal blocks for Tilayia UMPP in Jharkhand .
  18. PFCCL received a new assignment for providing assistance as Project Management Agency (PMA) under IPDS scheme of GoI to CESC in December, 2015. For which the LoA was issued on 18.01.2016. The DPR for the project amounting to ₹ 300 crore was prepared by CESC Ltd. and submitted to PFC for approval. PFC has advised CESC to get their Schedule of Rates (SoRs) of various items proposed in the DPR approved from West Bengal State Electricity Distribution Company Ltd (WBSEDCL). Accordingly, CESC Ltd. was assisted by PFCCL in preparation of justification of SoRs of various items. The same was submitted by CESC Ltd. to WBSEDCL for approval in March, 2016. The matter is under consideration of WBSEDCL.
  19. SPV Medinipur-Jeerat Transmission Ltd was incorporated as a wholly owned subsidiary

- for the project “765 kV system strengthening scheme in eastern region (ERSS XVIII)” on 22.01.2016.
20. SPV Kohima-Mariani Transmission Ltd was incorporated as a wholly owned subsidiary for the project “North Eastern Region strengthening scheme (NERSS VI)” on 22.01.2016.
  21. Letter of Intent for the Project “Additional inter- Regional AC link for import into Southern Region i.e Warora -Warangal and Chilakaluripeta Hyderabad- Kurnool 765 kV link” was issued to the successful bidder Essel Infraprojects Ltd on 29.02.2016.
  22. Letter of Intent for the Project “400kV GIS Substations in Gurgaon and Palwal area as a part of ISTS” was issued to the successful bidder Sterlite Grid 4 Ltd on 17.03.2016.
  23. PFCCL has submitted its report in March 2016 to Hydro Power Department, Government of Arunachal Pradesh wherein various options were discussed for funding of State Govt equity of Govt of Arunachal Pradesh in Hydro Electric Projects. The assignment was successfully completed.
  24. PFCCL has submitted draft Memorandum of Agreement, Joint Venture Agreement and Transfer Scheme in respect to Joint Venture Company formed by Government of Jharkhand and NTPC Ltd for Patratu Thermal Power Station. Memorandum of Understanding was executed on 03.05.2015, Joint Venture Agreement was signed on 29.07.2015 and Transfer Scheme (“The Jharkhand State Electricity Reforms (Transfer of Patratu Thermal Power Station) Scheme, 2015”) was notified in the Jharkhand Official Gazette on 01.04.2016. The assignment was successfully completed.
  25. PFCCL has submitted draft redrafted Power Purchase Agreement(PPA) of existing PPA for 1040 MW TPP of APCPDCL with M/s Hinduja National Power Corporation Ltd. Redrafted PPA was executed between the parties on 28.04.2016. The assignment was successfully completed.
  26. Odisha Generation Phase-II Transmission Limited, an ITP SPV, was transferred to M/s Sterlite Grid 3 Limited, successful bidder identified through competitive bid process on 8<sup>th</sup> April 2016.
  27. Review Report on Bid Evaluation Report on techno commercial bid of the Project Consultant of UPRVUNL was submitted in January, 2016. Further the draft Bid Evaluation Report on Price Bid was submitted in May 2016.
  28. Warora-Kurnool Transmission Limited, an ITP SPV, was transferred to M/s Essel Infraprojects Limited, successful bidder identified through competitive bid process on 6<sup>th</sup> July 2016.
  29. Gurgaon-Palwal Transmission Limited, an ITP SPV, was transferred to M/s Sterlite Grid 4 Limited, successful bidder identified through competitive bid process on 14<sup>th</sup> July, 2016.
  30. In addition to above, PFCCL is assisting the Ministry of Power (MoP) and the Expert Committee constituted by MoP in examining the Model Bidding Documents (MBDS) as well as the erstwhile SBDs documents and revising the same. The Expert Committee has submitted its reports and revised Standard Bidding Documents for Ultra Mega Power Projects based on allocated domestic coal blocks in August 2015 and the SBDs for Ultra Mega Power Projects based on imported coal in December 2015. These

documents have undergone extensive consultation with all stakeholders and are under finalization.

### ULTRA MEGA POWER PROJECTS (UMPPs)

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

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

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

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

Till date, PFC has incorporated 19 Special Purpose Vehicles (SPVs) which were established by the Company for UMPPs. Out of these, 14 SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated by PFC for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPPs) and for holding land for power plant/port in case of imported coal based UMPP (Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects.

During the year under review, PFC incorporated one Operating SPV namely Bihar Mega Power Limited on 9<sup>th</sup> July, 2015 for Bihar UMPP. Further, three Infra SPVs namely Deoghar Infra Limited for Deoghar UMPP, Bihar Infrapower Ltd for Bihar UMPP were incorporated on 30<sup>th</sup> June, 2015 and Jharkhand Infrapower Limited for Tilaiya UMPP was incorporated on 10<sup>th</sup> December, 2015.

Out of these 19 (nineteen) SPVs, 4 (Four) SPVs have been transferred to the successful bidders as indicated below:

S.No	Name of SPV	Successful Bidder	Date of Transfer
1	Coastal Gujarat Power Ltd.	The Tata Power Company Ltd.	April 22, 2007
2	Sasan Power Ltd.	Reliance Power Ltd.	August 7, 2007
3	Coastal Andhra Power Ltd.	Reliance Power Ltd.	January 29, 2008
4	Jharkhand Integrated Power Ltd.*	Reliance Power Ltd.	August 7, 2009

\*Reliance Power Ltd/ Jharkhand Integrated Power Limited (JIPL) has issued Termination Notice of Power Purchase Agreement (PPA) for Tilaiya UMPP on 28<sup>th</sup> April 2015. Procurers have decided to accept the termination after which JIPL shall be taken over by PFC for rebidding.

**UMPPs in Progress**

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

\*Government of Chhattisgarh has informed in April 2016 that they are not keen to set up UMPP at present due to surplus power in the state.

**INDEPENDENT TRANSMISSION PROJECTS (ITPs)**

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

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

Till date, Twenty one (21) Special Purpose Vehicles (SPVs), two (2) by PFC and other Nineteen (19) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these Twenty one (21) SPVs, Bokaro - Kodarma Maithon Transmission Company Limited was liquidated in December 2010 and Fifteen (15) SPVs were transferred to the successful bidders till date.

Since the date of last Directors' Report, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for three new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated three (3) SPVs as its wholly owned subsidiaries for these projects as per following details:



Sl.No	Project Name	Name of SPV	Date of incorporation
1	Creation of new 400kV GIS Substations in Gurgaon and Palwal area as a part of ISTS	Gurgaon-Palwal Transmission Ltd	26.10.2015
2	North-Eastern Region strengthening scheme (NERSS VI)	Kohima-Mariani Transmission Ltd	22.01.2016
3	765 kV system strengthening scheme in eastern region (ERSS XVIII)	Medinipur-Jeerat Transmission Ltd	22.01.2016

Bidding process for Kohima-Mariani Transmission Ltd and Medinipur-Jeerat Transmission Ltd are underway and is likely to be completed in the Financial Year 2016-17.

During the year Letter of Intent (LOI) has also been issued to the successful bidders for Tanda Transmission Company Ltd on 9<sup>th</sup> October, 2015. Three SPVs namely Chhattisgarh-WR Transmission Limited, Sipat Transmission Limited, Raipur- Rajnandgaon-Warora Transmission Limited were transferred to successful bidder on 23<sup>rd</sup> November, 2015. Further, a SPV Odisha Generation Phase-II Transmission Limited was transferred on 8<sup>th</sup> April, 2016. Two more SPVs viz. Warora-Kurnool Transmission Ltd. and Gurgaon-Palwal Transmission Ltd. were transferred on 6<sup>th</sup> July, 2016 and 14<sup>th</sup> July, 2016 respectively.

The bidding process for the Ballabgarh-GN Transmission Company Limited (BGNTCL), SPV for the transmission project “Northern Region System Strengthening Scheme – XXXIII” is kept in abeyance on the advice of CEA due to issues related to dispute in the PPA between NPCL and Essar Power (Jharkhand). Further, the scheme Northern Region System Strengthening Scheme- XXXV (SPV- Mohindergarh-Bhiwani Transmission Ltd) was de-notified from tariff based bidding process and the project will be implemented through CTU under compressed schedule on regulated tariff mechanism.

## CLIENT BASE

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

Clients	No.
States Utilities	29
Licensees/ IPPs	9
Public Sector Undertakings	7
State Governments	5
Regulatory Commissions	3
Central Govt. Departments/Ministries	1
<b>Total</b>	<b>54</b>

PFCCCL has worked on over 96 assignments for 54 Clients spread across 23 States/UTs of India namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Tripura, Telangana, Uttar Pradesh and West Bengal.

PFCCL was appointed as Bid Process Coordinator (BPC) for Package “B” [SOUTH – CENTRAL EAST] for Implementation of Transmission Schemes through tariff based competitive bidding process (TBCB) by Govt. of National Capital Territory of Delhi (Department of Power) in October 2014 for which Special Purpose Vehicle (SPV) namely South-Central East Delhi Power Transmission Limited (SCEDPTL) was incorporated by PFCCL. Subsequently, for this transmission project, Delhi Transco Limited (DTL) had conveyed to PFCCL that no further processing is solicited at PFCCL’s end in respect of Package “B” [SOUTH – CENTRAL EAST] for Implementation of Transmission Schemes through tariff based competitive bidding process (TBCB).

In line with the decisions of DTL, the process of winding up of SPV/ getting the name of South-Central East Delhi Power Transmission Limited struck off from the records of Registrar of Companies, NCT of Delhi & Haryana has been initiated and the process is underway.

## SUBSIDIARIES

### Incorporation of Subsidiaries

Since the date of last Directors’ Report, following three (03) new companies were incorporated as wholly owned subsidiaries of the Company:

- (i) Gurgaon-Palwal Transmission Limited (GPTL) for the transmission project “Creation of new 400kV GIS Substations in Gurgaon and Palwal area as a part of ISTS”
- (ii) Kohima-Mariani Transmission Limited for the Transmission project “North Eastern Region Strengthening Scheme (NERSS-VI)
- (iii) Medinipur-Jeerat Transmission Limited for the Transmission project “765 kV System Strengthening Scheme in Eastern Region (ERSS-XVIII)”

### Transfer of Subsidiaries

Since the date of last Directors’ Report, the Company has transferred Six (06) of its wholly owned subsidiary as per the detail given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	Sipat Transmission Ltd.	Adani Power Ltd.	23.11.2015
2.	Raipur-Rajnandgaon-Warora Transmission Ltd.	Adani Power Ltd.	23.11.2015
3.	Chhattisgarh-WR Transmission Ltd.	Adani Power Ltd.	23.11.2015
4.	Odisha Generation Phase-II Transmission Ltd.	Sterlite Grid 3 Limited	08.04.2016
5.	Warora-Kurnool Transmission Ltd.	Essel Infraprojects Ltd.	06.07.2016
6.	Gurgaon-Palwal Transmission Ltd.	Sterlite Grid 4 Limited	14.07.2016

As on date, Company is having Six (6) wholly owned subsidiaries.

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

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

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

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

The Board of Directors in their 47<sup>th</sup> meeting held on 21<sup>st</sup> December, 2015 approved the scheme of merger of PFCCAS with the Company. The Company vide its letter dated 21<sup>st</sup> January, 2016 requested Ministry of Power, Government of India, to accord approval for the proposed merger. The approval of Ministry of Power is awaited.

**JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**DIRECTORS**

Since the date of last Director's Report, Shri D. Ravi, Director (Commercial), PFC was appointed as an additional Director of the Company w.e.f. 1<sup>st</sup> December 2015.

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

In accordance with provisions of section 152(6) of the Companies Act, 2013, Shri R. Nagarajan 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:

- |    |                   |   |                                       |
|----|-------------------|---|---------------------------------------|
| 1. | Shri M. K. Goel   | : | Chairman / CMD, PFC                   |
| 2. | Shri R. Nagarajan | : | Director / Director (Finance), PFC    |
| 3. | Shri A.K. Agarwal | : | Director / Director (Projects), PFC   |
| 4. | Shri D. Ravi      | : | Director / Director (Commercial), PFC |

**MEETINGS OF BOARD OF DIRECTORS**

Eleven (11) Board meetings were held during the financial year 2015-16, as against the minimum requirement of four meetings. The details of Board meetings and the attendance of each Director in said meetings are given below:

Date of Board Meetings	Board of Directors and attendance of each Director			
	Shri M.K. Goel	Shri R. Nagarajan	Shri A.K. Agarwal	Shri D. Ravi*
18.05.2015	Yes	Yes	Yes	-
30.06.2015	Yes	Yes	Yes	-
18.08.2015	Yes	Yes	Yes	-
22.09.2015	Yes	Yes	Yes	-
24.09.2015	Yes	Yes	Yes	-
23.10.2015	Yes	Yes	Yes	-
01.12.2015	Yes	Yes	Yes	Yes
21.12.2015	Yes	Yes	Yes	Yes
02.02.2016	Yes	Yes	Yes	Yes
03.03.2016	Yes	Yes	Yes	Yes
30.03.2016	Yes	Yes	Yes	Yes

\*Appointed as a Director w.e.f. 01.12.2015

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

Since the date of last Director's Report Shri R. Nagarajan has assumed the position of Chairman of the Committee and Shri M.K. Goel has ceased to be the Chairman of the Committee w.e.f. 29<sup>th</sup> February 2016. Further, Shri D. Ravi has been appointed as a member of the Committee w.e.f. 29<sup>th</sup> February 2016.

Your Board places on record its deep appreciation for the valuable contribution made by Shri M.K. Goel during his tenure as Chairman of the Committee.

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

1. Shri R. Nagarajan : Chairman
2. Shri A.K. Agarwal : Member
3. Shri D. Ravi : Member

During the financial year 2015-16, two (02) meetings of CSR Committee were held. The details of Committee meetings and the attendance of members in said meetings are given below:

SI. No.	Name & Designation of Members	Date of Committee Meetings & attendance of each Member	
		30.06. 2015	29.02.2016
1.	Shri M.K. Goel,* Chairman	Yes	-
2.	Shri R. Nagarajan,** Chairman	Yes	Yes
3.	Shri A.K. Agarwal, Member	Yes	Yes
4.	Shri D. Ravi,# Member	-	Yes

\*Ceased to be the Chairman w.e.f. 29.02.2016

\*\*Appointed as Chairman w.e.f. 29.02.2016

#Appointed as Member w.e.f. 29.02.2016

**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. V.K. Verma & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2015-16 by the Comptroller & Auditor General of India. There are no adverse comments, observation or reservation in the Auditor's Report on the accounts of the Company.

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

The Comptroller and Auditor General (C&AG) of India has given their comments under section 143 of the Companies Act 2013. The comments of C&AG and the Management reply thereupon are presented in a separate section forming part of the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the preparation of Annual Accounts for the financial year 2015-16, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-16 and of the profits of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MEMORANDUM OF UNDERSTANDING (MoU)**

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

**OFFICIAL LANGUAGE**

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

## **PUBLIC DEPOSITS**

The Company has not accepted any public deposit during the year ended 31<sup>st</sup> March, 2016 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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

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

## **PARTICULARS OF EMPLOYEES**

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

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

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

The cases of sexual harassment of women at work place are being dealt by the HR, Dept. of Power Finance Corporation Limited, the holding company. As such none of the cases are referred to the Company till date.

## **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 policy is available on the website of the Company.



**RISK MANAGEMENT**

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

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Department of Public Enterprises. 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/-  
(M.K.Goel)  
Chairman  
DIN: 00239813**

Place: New Delhi  
Date: 03.08.2016

## 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 (PFCCCL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.

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

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

- |     |   |                                     |
|-----|---|-------------------------------------|
| 1)  | Power Finance Corporation Limited                   | : Holding Company                   |
| 2)  | Tanda Transmission Co. Ltd.                         | : Subsidiary Company                |
| 3)  | Ballabgarh-GN Transmission Co. Ltd.                 | : Subsidiary Company                |
| 4)  | Mohindergarh-Bhiwani Transmission Ltd.              | : Subsidiary Company                |
| 5)  | Sipat Transmission Ltd.                             | : Subsidiary Company                |
| 6)  | Raipur-Rajnandgaon-Warora<br>Transmission Ltd.      | : Subsidiary Company                |
| 7)  | Chhattisgarh-WR Transmission Ltd.                   | : Subsidiary Company                |
| 8)  | South-Central East Delhi Power<br>Transmission Ltd. | : Subsidiary Company                |
| 9)  | Odisha Generation Phase-II<br>Transmission Ltd.     | : Subsidiary Company                |
| 10) | Warora-Kurnool Transmission Ltd.                    | : Subsidiary Company                |
| 11) | Gurgaon-Palwal Transmission Ltd.                    | : Subsidiary Company                |
| 12) | Kohima-Mariani Transmission Ltd.                    | : Subsidiary Company                |
| 13) | Medinipur-Jeerat Transmission Ltd.                  | : Subsidiary Company                |
| 14) | Orissa Integrated Power Ltd.                        | : Subsidiary of the Holding Company |
| 15) | Coastal Tamil Nadu Power Ltd.                       | : Subsidiary of the Holding Company |
| 16) | Chhattisgarh Surguja Power Ltd.                     | : Subsidiary of the Holding Company |
| 17) | Deoghar Mega Power Ltd.                             | : Subsidiary of the Holding Company |
| 18) | Coastal Maharashtra Mega Power Ltd.                 | : Subsidiary of the Holding Company |
| 19) | Cheyyur Infra Ltd.                                  | : Subsidiary of the Holding Company |
| 20) | Odisha Infrapower Ltd.                              | : Subsidiary of the Holding Company |
| 21) | Tatiya Andhra Mega Power Ltd.                       | : Subsidiary of the Holding Company |
| 22) | Sakhigopal Integrated Power Co. Ltd.                | : Subsidiary of the Holding Company |
| 23) | Ghogarpalli Inegrated Power Co. Ltd.                | : Subsidiary of the Holding Company |
| 24) | Coastal Karnataka Power Ltd.                        | : Subsidiary of the Holding Company |
| 25) | Deoghar Infra Ltd.                                  | : Subsidiary of the Holding Company |
| 26) | Bihar Infra Ltd.                                    | : Subsidiary of the Holding Company |
| 27) | Bihar Mega Power Ltd.                               | : Subsidiary of the Holding Company |
| 28) | Jharkhand Infrapower Ltd.                           | : Subsidiary of the Holding Company |

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

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

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

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

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

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

**For and on behalf of the Board of Directors**

**Sd/-**  
**(M.K. Goel)**  
**Chairman**  
**DIN: 00239813**

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March 2016**  
**[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 <input checked="" type="checkbox"/> 2. Private Company																					
	Sub Category of the Company [ Please tick whichever are applicable]	<table border="1"> <tr><td>1. Government Company</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td></td></tr> <tr><td>3. One Person Company</td><td></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td></td></tr> <tr><td>5. NBFC</td><td></td></tr> <tr><td>6. Guarantee Company</td><td></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td></td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td></td></tr> <tr><td>11. Company Registered under Section 8</td><td></td></tr> </table>	1. Government Company	<input checked="" type="checkbox"/>	2. Small Company		3. One Person Company		4. Subsidiary of Foreign Company		5. NBFC		6. Guarantee Company		7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company		9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital		11. Company Registered under Section 8
1. Government Company	<input checked="" type="checkbox"/>																						
2. Small Company																							
3. One Person Company																							
4. Subsidiary of Foreign Company																							
5. NBFC																							
6. Guarantee Company																							
7. Limited by shares	<input checked="" type="checkbox"/>																						
8. Unlimited Company																							
9. Company having share capital	<input checked="" type="checkbox"/>																						
10. Company not having share capital																							
11. Company Registered under Section 8																							
v)	Address	First Floor 'Urjanidhi' 1 Barakhamba Lane Connaught Place New Delhi 110001																					
vi)	Whether shares listed on recognized Stock Exchange(s)	No																					
vii)	Name and Address of Registrar & Transfer Agents (RTA ):- Full address and contact details to be given.: N.A.																						

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	Power Finance Corporation Limited 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	L65910DL1986GOI024862	Holding Company	100	2(46)
2	Ballabhgarh-GN Transmission Company Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U74999DL2013GOI257470	Subsidiary Company	100	2(87)
3	Tanda Transmission Company Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U74999DL2013GOI257471	Subsidiary Company	100	2(87)
4.	Mohindergarh-Bhiwani Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40106DL2014GOI274558	Subsidiary Company	100	2(87)
5.	South-Cental East Delhi Power Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40109DL2015GOI276863	Subsidiary Company	100	2(87)
6.	Odisha Generation Ph-II Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2015GOI279183	Subsidiary Company	100	2(87)
7.	Warora-Kurnool Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2015GOI279272	Subsidiary Company	100	2(87)

8.	Gurgaon-Palwal Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2015GOI286783	Subsidiary Company	100	2(87)
9.	Kohima-Mariani Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40102DL2016GOI290060	Subsidiary Company	100	2(87)
10.	Medinipur-Jeerat Transmission Limited First Floor 'Urjanidhi' 1, Barakhamba Lane Connaught Place New Delhi 110001	U40300DL2016GOI290075	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 1 <sup>st</sup> April-2015]				No. of Shares held at the end of the year[As on 31 <sup>st</sup> March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual*	0	700	700	1.4	0	700	700	1.4	0.00
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	49300	49300	98.6	0	49300	49300	98.6	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (1)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a)NRIs- Individuals	0	0	0	0	0	0	0	0	0
b)Other- Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
E) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0.00</b>



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

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	50,000	50,000	100.00	0	50,000	50,000	100.00	0.00

\* Nominee of Power Finance Corporation Limited

**(ii) Shareholding of Promoter-**

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

\* NOMINEE OF POWER FINANCE CORPORATION LIMITED

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016			
	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):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>NIL</b>			
	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:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>NIL</b>			
	Date wise Increase / Decrease in Promoters 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 INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

<b>Indebtedness at the end of the financial year</b>	
i) Principal Amount	
ii) Interest due but not paid	
iii) Interest accrued but not due	
<b>Total (i+ii+iii)</b>	

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

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

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

### B. Remuneration to other directors

S N.	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/WTB**

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

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

## ANNEXURE III

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

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.**

SI. No.	Name	Designation
1.	Shri R. Nagarajan	Chairman
2.	Shri A.K. Agarwal	Member
3.	Shri D. Ravi	Member

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

S.No.	Financial Year	Consolidated Audited Profit Before Tax (PBT) (figures in ₹ Crores)
1	2012-13	23.38
2	2013-14	40.85
3	2014-15	33.33
Total		97.56
Average of above three FYs		32.52
2% of the average consolidated PBT		0.6504 i.e. 0.66 (approx.)
2% of the average consolidated PBT excluding dividend received from other companies		0.66

**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 ₹ 0.66 Crore.

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

- Total amount to be spent for the financial year 2015-16 - ₹ 0.66 Crore
- Amount unspent against identified projects , if any - ₹ 0.21 Crore
- Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay(budget) project or programs wise	Amount spent on the project or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency (Give details of Implementing agency)
1	Financial Assistance to Project of LED based Solar Street Lighting Systems limited upto 303 units @ ₹ 88.99 Lakhs	Power (Renewable Energy and Energy Efficient and Environment-friendly Technologies)	(2) East Kamaeng, Arunachal Pradesh	₹16.99 Lakhs	1) Nil 2) Nil	₹ 71 Lakhs	Through implementing agency – M/s Energy Efficiency Services Limited (EESL)
2	Construction of 30 toilet units in 30 schools @ ₹ 35.40 Lakhs	Other	(2) Rewa, Madhya Pradesh	₹ 35.40 Lakhs	1) ₹ 31.86 Lakhs 2) Nil	₹.31.86 Lakhs	Through implementing agency - Rajya Shiksha Kendra
3	Financial Assistance for Deploying Solar Photo Voltaic Power Pack for Development of the Tribal Villages @ ₹ 21.42 Lakhs	Power	(2) Patalkot Area of Distt. Chhindwara (MP)	₹ 13.61 Lakhs	1) ₹ 12.85 Lakhs 2) Nil	₹ 12.85 Lakhs	Through implementing agency- MPUVNL (Madhya Pradesh Urja Vikas Nigam Ltd.)



\* In the books of Accounts for financial 2015-16, a sum of ₹ 65 Lakhs has been charged to Profit & Loss Accounts against CSR budget for Financial year 2015-16, Accordingly, total unspent amount including unspent amount against identified projects is ₹ 37 Lakhs.

**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.**

**a) 1<sup>st</sup> project- Financial Assistance to Project of LED based Solar Street Lighting Systems limited up to 303 units :**

In line with MoU signed for the above said project, 80% payment of total project cost i.e. ₹ 88.99 Lakhs has been released after successful completion of installation and commissioning of 50% LED based solar street lights; the balance 20% payment will be released after submission of completion certificate from the implementing agency i.e. EESL, which is awaited till date. Therefore, expenditure could not be made in FY 2015-16.

**b) 2<sup>nd</sup> project - Construction of 30 toilet units in 30 schools :**

In line with MoU signed between PFCCL and GoMP, 90% payment of ₹ 35.4 Lakhs i.e. ₹ 31.86 Lakhs has been released; balance 10% payment will be released after the completion of the project and on issuance of the completion certificate, DISC code of the schools etc. by Rajya Shiksha Kendra.

**c) 3<sup>rd</sup> project- Financial Assistance for Deploying Solar Photo Voltaic Power Pack for Development of the Tribal Villages:**

In line with the MoU signed between PFCCL and MPUVNL, 60% payment released as per the following terms:

i) **Stage 1-** 10% advance payment on receipt of bank account details from MPUVNL.

ii) **Stage 2-** 50% payment after issuance of work order to the executing agency appointed by MPUVNL.

**Balance 40%** payment will be released in **two stages – 30%** payment will be released after the completion of the project and on issuance of the completion certificate by MPUVNL and **10% payment** will be released on completion of inspection by third party Inspection and issuance of third party inspection certificate.

**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/-  
**Prem Prakash Srivastava**  
Chief Executive Officer

Sd/-  
**R. Nagarajan**  
Chairman, 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.**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

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

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

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

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

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

**STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS**

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

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

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

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

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

**THE ECONOMY**

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

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

Govt. of India in its Union Budget in Feb, 2016 emphasized on infrastructure creation as central to its road map for economic growth. The government promised in the budget to boost infrastructure by keeping total outlay to ₹ 2,21,246 Crores in fiscal 2017. Further, Govt. announced formation of an investment and infrastructure fund and tax-free bonds for raising funds to facilitate investment in infrastructure. The above clearly underlines Government's commitment to revive the investment cycle to spur economic growth.

**OUTLOOK ON POWER SECTOR**

The fiscal 2015 and 2016 were good years for Indian power sector with (i) highest capacity addition in over two years, of 46,543 MW (ii) power generation growth of more than 8%, (iii) power deficit reduced to 2.1%, the lowest ever (iv) highest ever increase in transmission lines to 50,215 ckl in last two years (v) highest ever increase in sub-station capacity over two years to 128403 MVA (vi) highest coal production growth of 7.7% in last 2 years (vii) first time ever

exceeded renewable capacity addition targets.

Indian power sector, however, is still grappling with structural challenges like fuel supply issues, weak financial health of State distribution utilities, stressed projects & balance sheets of power developers. Govt. of India has already introduced several reform initiatives and measures to address the issues of power sector, which includes (i) Road map ready for 24x7 affordable environment friendly 'Power for All' (ii) coal shortage completely eliminated by highest ever growth in coal production of 7.4 crore tonnes in last two years in the country, with target of doubling coal production to 100 crore tonnes by 2020, (iii) UDAY (Ujwal DISCOM Assurance Yojana) for improvement in financial and operational efficiencies of State Power Distribution Companies (DISCOMs) (iv) UJALA (Unnat Jyoti by Affordable LEDs for All) Yojana, which will replace 77 crore bulbs with energy efficient LED bulbs by 2019, (v) world's largest renewable energy expansion programme with a target to increase overall renewable capacity by more than 5 times from 32,000 MW in 2014 to 1,75,000 MW in 2022, (vi) to promote efficiency, competition, renewable energy and to improve quality and reliability of power, Govt. has approved amendments in Electricity Act and introduced the same in parliament. The amendments envisage ensuring grid stability, competition in distribution sector, operationalisation of open access, strengthening regulatory commissions, tariff rationalization etc.

On the renewable energy front, Solar power capacity has increased by 157% since 2014. 33 solar parks with capacity of 20,000 MW in 20 States are under development. Green energy corridors are being rolled out with investment of ₹ 38,000 Crore to ensure power evacuation from renewable energy plants.

On the power transmission front, Govt. approved National Smart Grid Mission to bring efficiency in power supply network and reduce losses & outages. The activities under the same include development of smart grid, micro grids, consumer engagement and training & capacity building. Further, about ₹ 1,00,000 Crore of transmission projects are initiated in 2015-16. To have a comprehensive transmission infrastructure, a 20 year transmission plan has been formulated by CEA (Central Electricity Authority) being considered for implementation.

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

## **RISKS AND CONCERNS**

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

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your company maintains a robust system of Internal Control including suitable monitoring procedures which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and company policies. Suitable delegation of power and guidelines for accounting has been issued for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants.

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

**DISCUSSION ON OPERATIONAL PERFORMANCE**

During the financial year under review, the total income of the Company has increased from ₹ 4,939.62 Lakh to ₹ 7355.25 Lakh showing an increase of 48.90% and your company earned Profit before Tax of ₹ 5709.86 Lakh as compared to ₹ 3333.07 Lakh for the financial year 2014-15, showing an increase of 71.31%. The Profit after Tax also increases from ₹ 2170.39 Lakh in the previous financial year to ₹ 3705.75 Lakh in the current financial year, showing an increase of 70.74%.

During the year, the Company has earned other income of ₹ 1329.44 Lakh which includes Interest on deposit of surplus funds with banks amounting to ₹ 1272.83 Lakh.

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

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

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

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

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

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

During the FY 2015-16, there is no foreign exchange earnings and outgo.



## CORPORATE SOCIAL RESPONSIBILITY

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

During the Financial Year 2015-16, your Company has identified projects of amount of ₹ 0.66 Crore and disbursed ₹ 0.44 Crore providing Financial Assistance towards following projects:

- i. Supply, Installation and Commissioning of 303 nos. of LED based Solar Street Lighting System in the East Kameng district of Arunachal Pradesh through M/s Energy Efficiency Services Limited (EESL).
- ii. Construction of 30 toilet units in schools through implementing agency “Rajya Shiksha Kendra” in M.P.
- iii. Financial Assistance for deploying Solar Photo Voltaic Power Pack for Development of the Tribal Villages through implementing agency “MPUVNL (Madhya Pradesh Urja Vikas Nigam Ltd.)” in district Chhindwara (M.P.).

## CAUTIONARY STATEMENT

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



## REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS

#### a) COMPOSITION OF THE BOARD

As on March 31, 2016 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 March 31, 2016 was as follows:

Sl. No.	Name	Category	Designation
(i)	Shri M.K. Goel	Non-Executive Director	Chairman
(ii)	Shri R. Nagarajan	Non-Executive Director	Director
(iii)	Shri A.K. Agarwal	Non-Executive Director	Director
(iv)	Shri D. Ravi	Non-Executive Director	Director

#### b) NUMBER OF BOARD MEETINGS

During fiscal year 2015-16, the Board of PFC Consulting Limited met Eleven times on the following dates:-

- (i) 18<sup>th</sup> May, 2015
- (ii) 30<sup>th</sup> June, 2015
- (iii) 18<sup>th</sup> August, 2015
- (iv) 22<sup>nd</sup> September, 2015
- (v) 24<sup>th</sup> September 2015
- (vi) 23<sup>rd</sup> October, 2015
- (vii) 1<sup>st</sup> December, 2015
- (viii) 21<sup>st</sup> December, 2015
- (ix) 2<sup>nd</sup> February, 2016
- (x) 3<sup>rd</sup> March, 2016
- (xi) 30<sup>th</sup> March 2016

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

The names and designation of directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting held on 16<sup>th</sup> September, 2015, and also the number of Directorships and membership/chairmanship of committees held by them in other companies as on 31.03.2016 are given below:-

Name & Designation	Board Meetings		No. of other Directorships as on March 31, 2016	Membership in the committees of other companies as on March 31, 2016		Attendance at the last AGM held on 16th September, 2015
	Held during the tenure	Attended		Member	Chairman	
Shri M.K. Goel Chairman	11	11	03	Nil	Nil	Present
Shri R.Nagarajan Director	11	11	09	1	2	Present
Shri A.K.Agarwal Director	11	11	08	4	Nil	Present
Shri D. Ravi* Director	05	05	06	2	Nil	N.A

\* Appointed as Director w.e.f. 01.12.2015

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

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

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

Detailed Agenda Notes with necessary information were circulated in advance to the Board. The following information is generally supplied to the Board:

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

### d) COMPLIANCE WITH APPLICABLE LAWS

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

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

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

### 3. COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors and its Committees meet at regular intervals. All decisions pertaining to the constitution of Board Committees, appointment(s) of members is taken by the Board of Directors. As on March 31, 2016 the Board has following Committee:

#### Corporate Social Responsibility Committee of Directors

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

As on March 31, 2016 the Committee comprised of the following members:

1. Shri R. Nagarajan : Chairman
2. Shri A.K. Agarwal : Member
3. Shri D. Ravi : Member

The Committee met two (2) times during the FY 2015-16, on the following dates:

Sl. No.	Date of Meeting	No. of Member present
1	30 <sup>th</sup> June, 2015	3
2	29 <sup>th</sup> February, 2016	3

### 4. GENERAL BODY MEETINGS

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

Sl. No.	AGM	Day, Date & Time	Location	Special Resolutions Passed
1	5 <sup>th</sup>	Thursday, 12 <sup>th</sup> September, 2013 & 12.30 p.m.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
2	6 <sup>th</sup>	Tuesday, 16 <sup>th</sup> September, 2014 & 12.00 Noon	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
3	7 <sup>th</sup>	Wednesday, 16 <sup>th</sup> September, 2015 & 12.00 Noon	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	Alteration of Object clause of Memorandum of Association and adoption of new set of Articles of Association of the Company.

## 5. SUBSIDIARY COMPANIES

As on date, the Company has following Six (6) wholly owned subsidiaries:

- Tanda Transmission Company Limited (TTCL)
- Ballabhgarh-GN Transmission Company Limited (BGNTCL)
- Mohindergarh-Bhiwani Transmission Limited (MBTL)
- South-Central East Delhi Power Transmission Limited (SCEDPTL)
- Kohima-Mariani Transmission Limited (KMTL)
- Medinipur-Jeerat Transmission Limited (MJTL)

## 6. AUDITOR'S QUALIFICATION

There are no adverse comments, observation or reservation in the Auditor's Report on the accounts of the Company for the financial year 2015-16.

## 7. MEANS OF COMMUNICATION

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

## 8. TRAINING OF BOARD MEMBERS

As all the Directors of the Company are functional Directors of Power Finance Corporation Ltd., 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 2015-16 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) There is no whistle Blower policy in the Company.
- (v) The Company has complied with all the mandatory requirements of DPE guidelines and has filed report on Corporate Governance in specified format to MoP and DPE within stipulated time.
- (vi) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

## DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

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

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

**Sd/-**  
**(M.K. Goel)**  
**Chairman**  
**DIN: 00239813**

Place: New Delhi  
Date: 03.08.2016

## INDEPENDENT AUDITORS' REPORT

To

**The Members of PFC Consulting Limited**  
**Report on the financial statements**

We have audited the accompanying financial statements of **PFC Consulting Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

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

**Auditors' responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure-I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure II" on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) Being a Government company, pursuant to notification no GSR 463(E) dated 05.06.2015 issued by Government of India, Provision of Sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III"; and
  - g) 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 at Note 23 (a) to the 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.

**For V K Verma & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 000386N)**

**Sd/-**  
**(Vivek Kumar)**  
**Partner**  
**M. No. 503826**

**Place: New Delhi**  
**Date: 17.05.2016**

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

The Annexure referred to in our report to the members of PFC Consulting Limited ('the Company') for the year ended 31<sup>st</sup> March, 2016.

### We report that:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) According to the information and explanations given to us, the fixed assets are physically verified by the management on annual basis which in our opinion is at reasonable intervals. As per information and explanations given to us, no material discrepancies were noticed on such verification as compared to book records.  
c) The company does not have any immovable property in its name hence clause (i) (c) of paragraph 3 of the Order is not applicable.
2. The Company is in the business of Consultancy Services and does not have inventories; hence clause (ii) of paragraph 3 of the Order is not applicable.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has complied with the provisions of section 186 of the Act, with respect to the loans and investments made.
5. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company.
7. a).The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess and any other statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.  
b). According to the information and explanations given to us (refer Note.23(a)), there are no material disputed statutory dues payable in respect of income tax, sales tax, service tax and value added tax which are outstanding as at 31<sup>st</sup> March, 2016 except the following:

Nature of Statue	Nature of Dues	Amounts involved (Rs.)	Forum where dispute is pending
Finance Act, 1994	Service tax	Principal amount of Rs. 61,87,611/- has already been paid. Penalty & Interest on the principal are disputed	Commissioner Appeals, New Delhi

8. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder, hence clause (viii) of paragraph 3 of the Order is not applicable.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Order is not applicable.
10. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause (xii) of paragraph 3 of the Order regarding default is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the company, however the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the records of Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For V K Verma & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 000386N)**

**Sd/-**  
**(Vivek Kumar)**  
**Partner**  
**M. No. 503826**

**Place: New Delhi**  
**Date: 17.05.2016**

## ANNEXURE – II: TO THE INDEPENDENT AUDITORS' REPORT OF PFC CONSULTING LIMITED

The Annexure referred to in our report to the members of PFC Consulting Limited ('the Company') for the year ended 31<sup>st</sup> March, 2016.

S.No.	Questionnaire	Replies
1.	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The company does not have any freehold and leasehold land, hence not applicable.
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	Board of Directors in their meeting held on 18.08.2015 has accorded approval for writing off the outstanding amount of Rs.26,47,200/- pertaining to IFFCO Chhattisgarh Power Ltd. (Client) as the client has not accepted the deliverables as per the contract and consequently refused to accept the claims raised by the company.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	There is no inventory in the company and no assets received from Government or other authorities, hence not applicable.

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact except as stated above at S.No.2, on the accounts and financial statements of the company.

**For V K Verma & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 000386N)**

**Sd/-**  
**(Vivek Kumar)**  
**Partner**  
**M. No. 503826**

**Place: New Delhi**  
**Date: 17.05.2016**

**Compliance Certificate**

We have conducted the audit of annual accounts of PFC Consulting Limited for the year ended 31<sup>st</sup> March 2016 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 V K Verma & Co.  
Chartered Accountants  
(Firm Registration No. 000386N)**

**Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826**

**Place: New Delhi  
Date: 17.05.2016**

## **ANNEXURE – III: TO THE INDEPENDENT AUDITOR’S REPORT OF PFC CONSULTING LIMITED**

The Annexure referred to in our report to the members of PFC Consulting Limited (‘the Company’) for the year ended 31<sup>st</sup> March, 2016.

### **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 31<sup>st</sup> March 2016 in conjunction with our audit of the 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 judgment, 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, 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 31<sup>st</sup> March 2016, 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 V K Verma & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 000386N)**

**Sd/-**  
**(Vivek Kumar)**  
**Partner**  
**M. No. 503826**

**Place: New Delhi**  
**Date: 17.05.2016**



**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<sup>ST</sup> MARCH 2016 AND MANAGEMENT REPLIES THEREON**

Comments	Management Reply
<p>The preparation of financial statements of PFC Consulting Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2016.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of PFC Consulting Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:</p> <p><b>I. Statement of Profit and Loss</b>  <b>Revenue from Operations (Note No. 15) Rs. 6025.81 Lakh</b>  <b>Other operating Revenue</b>  <b>Sale of RFP &amp; RFQ Rs.280.00 Lakh</b></p> <p>The above includes an amount of Rs. 250.00 lakh received towards sale proceeds of bidding documents by the company in the capacity of Bid Process Coordinator from eight Special Purpose Vehicles (SPVs) which otherwise should have been allowed to be retained as income in respective books of the SPVs as per Standard Bidding Documents (SBD) approved by the Ministry of Power. Thus, non-compliance of the provisions of SBD has resulted in overstatement of "Revenue from Operations" (Note No.15) as well as "Profit" and understatement of "Other Current Liabilities" (Note No. 5) by Rs. 250 Lakh.</p>	<p>The accounting treatment followed by the company in respect of non-refundable Rfp fees is correct as passing on the same to respective SPV's shall result in extra benefit to the successful bidder. The issue is under consideration of Ministry of Power, Govt. of India. The final decision/clarification in this regard is awaited.</p> <p>Pending directions from Ministry of Power, Govt. of India, the company continued to account for Sale of Rfp as other operating income.</p> <p>Upon receipt of directives from Ministry of Power, GoI, proceeds from sale of Rfp shall be accounted accordingly.</p>

<p><b>II. Balance Sheet</b></p> <p><b>Assets</b></p> <p><b>Other Current Assets (Note-14)-Rs. 1051.43 lakh</b></p> <p>The above includes an amount of Rs. 32.33 lakh towards the amount receivable from clients (net) (Refer Note-31) representing the net amount of receivable from clients (asset) of Rs. 363.47 lakh and unaccrued income (liability) of Rs. 331.14 lakh (i.e invoices raised during the year 2009 to 2015 pending for recognition as income). This accounting is not in conformity with the concept of prudence and generally accepted accounting principles.</p> <p><b>III. General</b></p> <p>The comments of the C&amp;AG on the accounts of the company for the year 2014-15 should have been presented in the same manner as Independent Auditor's Report in line with the requirement of Section 143(6)(b) of the companies Act, 2013. However, the same was included in the Director's Report for the year 2014-15 as Annexure-I in violation of the requirement of the Companies Act, 2013.</p>	<p>The accounting treatment &amp; disclosures with respect to net amount recoverable from clients are based on the principles enunciated in para 9 &amp; 14 of AS-9 "Revenue Recognition". Pending significant progress in subsequent assignment milestones &amp; uncertainties involved, the company has postponed the revenue recognition to that extent in the financial statements which is in line with the afore mentioned principles of AS-9. Hence, the accounting treatment followed by the company is in conformity with the principles of prudence and generally accepted accounting principles.</p> <p>Comments of C&amp;AG regarding presentation of comments of C&amp;AG in the same manner as Independent Auditor's Report pertain to FY 2014-15. However the same is being presented during the FY 2015-16 as per the requirements of Companies Act, 2013.</p>
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**For and on behalf of the  
Comptroller & Auditor General of India**

**Sd/-**  
**(Ritika Bhatia)**  
Principal Director of Commercial Audit & Ex-officio Member, Audit Board – III, New Delhi

Place: New Delhi  
Dated: 29 July, 2016

**For and on behalf of the  
Board of Directors**

**Sd/-**  
**(M.K. Goel)**  
Chairman

Place: New Delhi  
Dated: 3 August, 2016

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

		(in Rs.)	
<b>Particulars</b>	<b>Note</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	5,00,000	5,00,000
Reserves & Surplus	3	1,88,08,88,852	1,51,03,14,228
		<b>1,88,13,88,852</b>	<b>1,51,08,14,228</b>
<b>Current Liabilities</b>			
Trade Payables	4		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		11,859	1,92,296
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		1,03,71,389	1,50,56,735
Other Current Liabilities	5	3,44,55,437	2,36,96,443
Short-Term Provisions	6	1,70,51,750	1,44,79,578
		<b>6,18,90,435</b>	<b>5,34,25,052</b>
<b>TOTAL</b>		<b>1,94,32,79,287</b>	<b>1,56,42,39,280</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	7		
Tangible assets		47,96,782	31,88,443
Intangible assets		-	-
Non- Current Investments	8	33,00,000	35,00,000
Deferred Tax Assets (net)	9	34,64,941	43,88,930
Long-Term Loans and Advances	10	1,34,45,139	63,42,058
Other Non-Current Assets	11	58,49,33,670	94,41,75,244
		<b>60,99,40,532</b>	<b>96,15,94,675</b>
<b>Current Assets</b>			
Trade Receivables	12	15,51,58,417	17,78,16,139
Cash and Bank Balances	13	1,00,14,08,958	32,01,70,978
Short-Term Loans and Advances	10	7,16,28,270	4,25,77,428
Other Current Assets	14	10,51,43,110	6,20,80,060
		<b>1,33,33,38,755</b>	<b>60,26,44,605</b>
<b>TOTAL</b>		<b>1,94,32,79,287</b>	<b>1,56,42,39,280</b>

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

**For and on behalf of Board of Directors**

Sd/-  
(C. Gangopadhyay)  
CEO  
DIN 02271398

Sd/-  
(R. Nagarajan)  
Director  
DIN 00701892

Sd/-  
(M. K. Goel)  
Chairman  
DIN 00239813

Sd/-  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : F 8471

This is the Balance Sheet referred to in our report of even date  
For V. K. Verma & Co.  
Chartered Accountants  
(Firm Registration No:000386N)

Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826

Place: - New Delhi  
Date: - 17.05.2016

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

(in Rs )			
<b>Particulars</b>	<b>Note</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Revenue</b>			
Revenue from Operations	15	60,25,80,553	37,40,63,438
Other Income	16	13,29,44,632	11,98,98,456
<b>Total Revenue</b>		<b>73,55,25,185</b>	<b>49,39,61,894</b>
<b>Expenses</b>			
Expense for Consultancy Services	17	2,78,17,352	2,15,05,780
Employee Benefits Expense	18	8,12,81,632	8,82,71,944
Depreciation and Amortization expense	7	25,72,648	34,12,020
CSR Expenditure	37	65,04,765	80,90,403
Other Expenses	19	4,57,68,987	3,93,31,032
Prior Period Items (net)	20	5,93,560	43,386
<b>Total Expenses</b>		<b>16,45,38,944</b>	<b>16,06,54,565</b>
Profit Before Tax		<b>57,09,86,241</b>	<b>33,33,07,329</b>
Tax Expense			
Current Tax			
Current year		19,94,87,627	11,51,48,480
Earlier years		-	(8,926)
Deferred Tax			
Current Year		9,23,989	11,28,492
Total tax expense		20,04,11,616	11,62,68,046
Profit for the year from continuing operations		37,05,74,625	21,70,39,283
Profit from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit from discontinuing operations (after Tax)		-	-
Profit for the year after tax		37,05,74,625	21,70,39,283
Earnings per equity share (Par Value Rs. 10/- each)			
Basic & Diluted (Rs.)	33	7,411.49	4,340.79

Significant accounting policies 1  
The accompanying notes form an integral part of the financial statements.  
There are no Exceptional & Extraordinary items in the above period.

**For and on behalf of Board of Directors**

Sd/-  
(C. Gangopadhyay)  
CEO  
DIN 02271398

Sd/-  
(R. Nagarajan)  
Director  
DIN 00701892

Sd/-  
(M. K. Goel)  
Chairman  
DIN 00239813

Sd/-  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : F 8471

This is the statement of profit & loss referred to in our report of even date  
For V. K. Verma & Co.  
Chartered Accountants  
(Firm Registration No:000386N)

Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826

Place: - New Delhi  
Date: - 17.05.2016

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**Cash Flow Statement for the year ended**

	(in Rs )	
Particulars	31.03.2016	31.03.2015
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	57,09,86,241	33,33,07,329
Adjustments for		
Add: Depreciation/amortisation	25,72,648	34,12,020
Add/less: Disposal/Write-off of Fixed Assets	(22,004)	83,965
Less: Interest Income	(13,28,99,235)	(11,98,34,374)
Operating profit before working capital changes	44,06,37,650	21,69,68,940
Adjustment For Working Capital changes :		
(Increase)/Decrease in Trade Receivables	2,26,57,722	(8,67,16,781)
(Increase)/Decrease in Other Current Assets	(71,69,53,050)	54,42,73,286
(Increase)/Decrease in Long Term Loans & Advances	(71,03,081)	(18,87,451)
(Increase)/Decrease in Short Term Loans & Advances	(1,70,71,270)	1,12,66,189
Increase/(Decrease) in Trade Payables	(48,65,783)	(18,51,376)
Increase/(Decrease) in Other Current Liabilities	1,07,58,994	(1,33,93,620)
Increase/(Decrease) in Short Term Provisions	25,72,172	(54,05,385)
Cash Inflow/Outflow from operations before Tax	(26,93,66,646)	66,32,53,802
Less: Taxes Paid	(21,14,67,200)	(11,05,62,365)
Net Cash from Operating Activities (A)	(48,08,33,846)	55,26,91,437
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(42,75,452)	(16,28,581)
Sale/ Adjustments in Fixed Assets	1,16,469	65,472
Interest Income	13,28,99,235	11,98,34,374
(Increase)/Decrease in Other Non-Current Assets	35,92,41,574	(65,90,81,000)
Investments in Shares of subsidiaries companies	(13,00,000)	(25,00,000)
Sale of Investments in Shares of subsidiaries companies	15,00,000	5,00,000
Net cash used in investing activities (B)	48,81,81,826	(54,28,09,735)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities (C)	-	-
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)	73,47,980	98,81,702
Add: Cash and Cash Equivalents at the beginning of the year*	1,06,61,979	7,80,277
Cash and Cash Equivalents at the end of the year	1,80,09,959	1,06,61,979
* Details of Cash & Cash Equivalents:		
Balance with Banks	81,09,959	6,61,979
FD with maturity upto 3 months	99,00,000	1,00,00,000
Cheques in Hand	-	-
	1,80,09,959	1,06,61,979

Note to Cash Flow Statement:

The changes in fixed deposit accounts with maturity more than three months shown under note of Cash & Bank Balances amounting to **Rs. 98,33,99,000/-** (PY Rs. 30,95,09,000/-) have been considered as part of change in other current assets.

**For and on behalf of Board of Directors**

Sd/-  
(C. Gangopadhyay)  
CEO  
DIN 02271398

Sd/-  
(R. Nagarajan)  
Director  
DIN 00701892

Sd/-  
(M. K. Goel)  
Chairman  
DIN 00239813

Sd/-  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : F 8471

As per our report of even date  
For V. K. Verma & Co.  
Chartered Accountants  
(Firm Registration No:000386N)

Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826

Place: - New Delhi  
Date: - 17.05.2016

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**1. Significant Accounting Policies****A. Basis of Preparation**

The financial statements have been prepared in accordance with historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and Accounting Standards specified under Sec 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956.

**B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

**C. Tangible Assets / Intangible Assets**

Tangible Assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value. The historical cost includes all cost attributable for bringing the assets to its working condition for its intended use.

Expenditure on existing assets resulting in increase in previously assessed useful life/standard of performance is added in relevant assets.

Intangible Assets are recorded at their cost of acquisition.

**D. Borrowing Cost**

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

**E. Depreciation / Amortisation**

Depreciation on assets is provided on Pro-rata basis as per written down value method considering the useful life and residual value prescribed under the Schedule II of the Companies Act, 2013. However in case of Mobile/Smart Phones a useful life of 2 years is being considered by the Company.

Amortization is done under straight-line method over the life of the assets estimated by the Company.

**F. Investments**

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

Current Investments are valued at lower of cost and fair market value determined on an individual investment basis.

Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

**G. Expenditure Incurred by Holding Company**

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

**H. Cash Flow Statement**

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

**Cash and cash equivalents**

Cash comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques / drafts / pay orders in hand. Company considers cash equivalents as all short term balances (with 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.

**I. Revenue Recognition**

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

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

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

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



**K. Taxes on Income**

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

**L. Employee Benefits**

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

**M. Prepaid and Prior Period Expenses**

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

**N. Provisions & Contingencies**

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

**O. Independent Transmission Projects**

Expenditures on the particular Independent Transmission Project is debited to the account “Amount recoverable from concerned Special Purpose Vehicles (SPVs) and shown under Loans & Advances”.

**P. Operating Lease**

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the lessor are classified as operating leases. Lease rentals are charged to revenue.

**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****2 Share Capital**

	(in Rs )	
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Equity Share Capital</b>		
<b>Authorised :</b>		
50,000 shares of par value Rs.10/- each (Previous Year 50,000 shares par value Rs.10 each)	<b>5,00,000</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Fully paid up:</b>		
50,000 shares of par value Rs. 10/- each (Previous Year 50,000 shares par value Rs. 10 each)	<b>5,00,000</b>	<b>5,00,000</b>
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

- a) During the year, the Company has neither issued nor bought back any shares.
- b) 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.
- c) Shares held by holding company  
Out of 50,000 equity shares issued by the company, shares held by its Holding Company are as below:

	(in Rs )	
<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Power Finance Corporation Limited, the Holding Company *		
<b>50,000</b> (Previous Year 50,000) equity shares of Rs. 10 each fully paid	<b>5,00,000</b>	<b>5,00,000</b>

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

<b>Particulars</b>	<b>31.03.2016</b>		<b>31.03.2015</b>	
	<b>No. of Shares</b>	<b>% Held</b>	<b>No. of Shares</b>	<b>% Held</b>
Power Finance Corporation Limited, the Holding Company *				
<b>50,000</b> (Previous Year 50,000) equity shares of Rs. 10 each fully paid	<b>50,000</b>	<b>100%</b>	50,000	100%
	<b>50,000</b>	<b>100%</b>	50,000	100%

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

- e) The Board of Directors of PFC Consulting Limited in its meeting held on 03.03.2016 has accorded approval for increase in Authorised Share Capital of the Company from Rs. 5,00,000 (50,000 Equity Share of Rs. 10/- each) to Rs. 10,00,000/- (1,00,000 Equity shares of Rs. 10/- each) pursuant to provisions of Section 13, 61, and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) subject to the approval of Power Finance Corporation Limited, the Holding Company and Shareholders in the General meeting.

**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****3 Reserves & Surplus**

	( in Rs.)	
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Surplus</b>		
<b>As per last financial statements</b>	<b>1,51,03,14,228</b>	<b>1,29,33,21,036</b>
Less: Adjustment of Value of Fixed Assets having Nil Useful Life as on 01.04.14	-	(46,092)
	<b>1,51,03,14,228</b>	<b>1,29,32,74,944</b>
Add: Profit for the year as per Statement of Profit and Loss	<b>37,05,74,625</b>	<b>21,70,39,283</b>
<b>Net Surplus</b>	<b>1,88,08,88,852</b>	<b>1,51,03,14,228</b>
<b>Total</b>	<b>1,88,08,88,852</b>	<b>1,51,03,14,228</b>

**4 Trade Payables**

	( in Rs.)	
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
For goods and services		
- Total Outstanding dues of Micro Enterprises & Small Enterprises	<b>11,859</b>	<b>1,92,296</b>
- Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	<b>1,03,71,389</b>	<b>1,50,56,735</b>
<b>Total</b>	<b>1,03,83,248</b>	<b>1,52,49,031</b>

a) Disclosure with respect to micro and small enterprises as required by the MSMED Act is made in Note 27

**5 Other Current Liabilities**

	( in Rs.)	
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Earnest Money/ Security Deposit	<b>15,72,700</b>	<b>15,23,200</b>
Payable to Successful Developer (ITPs)	<b>1,52,31,265</b>	<b>88,37,061</b>
Advance from Clients and others	<b>54,00,000</b>	<b>52,55,845</b>
Tax deducted at source and other statutory dues	<b>68,17,923</b>	<b>30,79,896</b>
Other Payables	<b>54,33,549</b>	<b>50,00,441</b>
<b>Total</b>	<b>3,44,55,437</b>	<b>2,36,96,443</b>

a) Other Payables include amount payable to employees &amp; consultants etc.

**6 Short- Term Provisions**

	( in Rs.)	
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Provisions for		
Employee benefits	<b>89,28,904</b>	<b>96,36,671</b>
CSR Expenditure	<b>81,22,846</b>	<b>16,18,081</b>
Income Tax	-	<b>32,24,826</b>
<b>Total</b>	<b>1,70,51,750</b>	<b>1,44,79,578</b>

a) Disclosure required for employee benefits is made in Note 18

b) Disclosure required by AS 29 'Provision for Contingent Liability and Contingent Assets' is made in Note 34

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

7 Fixed Assets

(in Rs.)										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction/ Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
I. TANGIBLE ASSETS :										
Owned Assets										
Furniture & Fixtures	12,69,135	6,31,841	34,963	18,66,013	4,61,606	2,82,886	53,366	6,91,126	11,74,887	8,07,529
EDP Equipments	82,99,883	18,47,598	5,63,431	95,84,050	69,08,030	13,54,099	5,38,071	77,24,058	18,59,992	13,91,853
Other Office Equipments	22,54,538	17,96,013	3,08,382	37,42,169	12,65,477	9,35,663	2,20,874	19,80,266	17,61,903	9,89,061
Total	1,18,23,556	42,75,452	9,06,776	1,51,92,232	86,35,113	25,72,648	8,12,311	1,03,95,450	47,96,782	31,88,443
Previous Year	1,06,09,866	16,28,581	4,14,891	1,18,23,556	54,18,722	34,12,020	1,95,629	86,35,113	31,88,443	
II INTANGIBLE ASSETS :										
Computer Software	44,120	-	-	44,120	44,120	-	-	44,120	-	-
Total	44,120	-	-	44,120	44,120	-	-	44,120	-	-
Previous Year	44,120	-	-	44,120	44,120	-	-	44,120	-	-
Grand Total (I+II)	1,18,67,676	42,75,452	9,06,776	1,52,36,352	86,79,233	25,72,648	8,12,311	1,04,39,570	47,96,782	31,88,443
Previous Year	1,06,53,986	16,28,581	4,14,891	1,18,67,676	54,62,842	34,12,020	1,95,629	86,79,233	31,88,443	

**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****8 Non- Current Investments**

(in Rs )				
As at	Number of Shares Current Year / (previous year)	Face value per share Current Year / (previous year)	31.03.2016	31.03.2015
<b>Trade Investments</b>				
Unquoted Equity Instruments (fully paid up-unless otherwise stated)				
<b>Subsidiaries</b>				
Ballabgarh-GN Transmission Company Ltd.	<b>50,000</b> (50,000)	<b>10</b> (10)	<b>5,00,000</b>	5,00,000
Tanda Transmission Company Ltd.	<b>50,000</b> (50,000)	<b>10</b> (10)	<b>5,00,000</b>	5,00,000
Chhattisgarh-WR Transmission Ltd.	- (50,000)	- (10)	-	5,00,000
Sipat Transmission Ltd.	- (50,000)	- (10)	-	5,00,000
Raipur-Rajnandgaon-Warora Transmission Ltd.	- (50,000)	- (10)	-	5,00,000
Mohindergarh-Bhiwani Transmission Ltd.	<b>50,000</b> (50,000)	<b>10</b> (10)	<b>5,00,000</b>	5,00,000
South Central East Delhi Power Transmission Ltd.	<b>50,000</b> (50,000)	<b>10</b> (10)	<b>5,00,000</b>	5,00,000
Warora-Kurnool Transmission Ltd.	<b>50,000</b> (0)	<b>10</b> (0)	<b>5,00,000</b>	-
Odisha Generation Phase-II Transmission Ltd.	<b>50,000</b> (0)	<b>10</b> (0)	<b>5,00,000</b>	-
Gurgaon Palwal Transmission Ltd.	<b>10,000</b> (0)	<b>10</b> (0)	<b>1,00,000</b>	-
Kohima-Mariani Transmission Ltd.	<b>10,000</b> (0)	<b>10</b> (0)	<b>1,00,000</b>	-
Medinipur-Jeerat Transmission Ltd.	<b>10,000</b> (0)	<b>10</b> (0)	<b>1,00,000</b>	-
<b>TOTAL</b>			<b>33,00,000</b>	<b>35,00,000</b>

- a) Investments have been valued as per the accounting policy no. F (Note1).
- b) Company is appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company has incorporated wholly owned Special Purpose Vehicle in respect of Integrated Transmission Project (ITPs). During the year the Company has transferred the following ITPs to the successful Bidders

S. No.	Name of the Company	Date of Incorporation	Date of transfer to successful bidders
1	Sipat Transmission Limited	23.12.2014	23.11.2015
2	Raipur-Rajnandgaon-Warora Transmission Limited	23.12.2014	23.11.2015
3	Chhattisgarh-WR Transmission Limited	24.12.2014	23.11.2015

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

**9 Deferred Tax Assets (net)**

	(in Rs.)		
	As at 01.04.2015	Additions/ (Adjustments) during the year	As at 31.03.2016
<b>Deferred tax liability</b>			
Difference in book depreciation and tax depreciation	2,13,643.00	1,61,183.00	<b>3,74,826.00</b>
<b>Deferred tax asset</b>			
Provisions & other disallowances for tax purposes	8,99,783.00	(8,99,783.00)	-
Disallowances u/s 43B of the Income Tax Act, 1961	32,75,504.00	(1,85,389.00)	<b>30,90,115.00</b>
<b>Deferred tax Assets (net)</b>	<b>43,88,930.00</b>	<b>(9,23,989.00)</b>	<b>34,64,941.00</b>

**10 Loans And Advances (Considered good, unless otherwise stated)**

	(in Rs )			
As at	Long- Term		Short- Term	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Security Deposit</b>				
Unsecured	-	-	<b>4,62,400</b>	4,71,400
	-	-	<b>4,62,400</b>	4,71,400
<b>Loan to ITPs</b>				
Unsecured	-	-	<b>3,13,78,062</b>	2,15,92,640
	-	-	<b>3,13,78,062</b>	2,15,92,640
<b>Employees (including accrued interest)</b>				
Unsecured	<b>1,34,45,139</b>	63,42,058	<b>57,84,621</b>	41,92,638
	<b>1,34,45,139</b>	63,42,058	<b>57,84,621</b>	41,92,638
<b>Details of ITPs Loan</b>				
Odisha Generation Phase-II Transmission Limited	-	-	<b>43,91,747</b>	3,94,507
Warora-Kurnool Transmission Limited	-	-	<b>74,69,314</b>	4,96,641
Mohindergarh-Bhiwani Transmission Limited	-	-	<b>23,10,796</b>	20,58,928
Ballabgarh-GN Transmission Company Limited	-	-	<b>46,29,985</b>	45,38,647
Tanda Transmission Company Limited	-	-	<b>74,30,892</b>	63,11,008
Gurgaon Palwal Transmission Limited	-	-	<b>18,63,478</b>	-
Kohima-Mariani Transmission Limited	-	-	<b>14,88,922</b>	-
Medinipur-Jeerat Transmission Limited	-	-	<b>14,99,853</b>	-
Sipat Transmission Limited	-	-	-	22,54,373
Raipur-Rajnandgaon-Warora Transmission Limited	-	-	-	26,61,392
Chattisgarh-WR Transmission Limited	-	-	-	26,46,013
South Central East Delhi Power Transmission Limited	-	-	<b>2,93,077</b>	2,31,131
	-	-	<b>3,13,78,062</b>	2,15,92,640
<b>Advances</b>				
<b>Contractors &amp; suppliers</b>				
Unsecured	-	-	<b>8,83,886</b>	9,44,627
	-	-	<b>8,83,886</b>	9,44,627
Advance tax & tax deducted at source & FBT (net)	-	-	<b>2,65,90,381</b>	1,46,10,809
Cenvat Credit & Advance Service Tax	-	-	<b>19,15,700</b>	6,82,943
Prepaid expenses	-	-	-	11,139
Recoverable from Others	-	-	<b>46,13,220</b>	71,232
	-	-	<b>3,31,19,301</b>	1,53,76,123
<b>TOTAL</b>	<b>1,34,45,139</b>	63,42,058	<b>7,16,28,270</b>	4,25,77,428

a) Advances - recoverable from others include amounts advanced on account of CSR expenses

**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****11 Other Non-Current Assets**

		( in Rs.)
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Term deposits with banks with maturity of more than twelve months	57,33,89,000	93,27,00,000
Interest accrued but not due on Term Deposits	1,15,44,670	1,14,75,244
<b>Total</b>	<b>58,49,33,670</b>	<b>94,41,75,244</b>

a) Deposits include Rs. 27,00,000/- held as margin money against the bank guarantee issued to customer.

**12 Trade Receivables**

		( in Rs.)
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	10,13,16,313	5,31,85,516
Doubtful	-	26,47,200
<b>Total</b>	<b>10,13,16,313</b>	<b>5,58,32,716</b>
Others		
Unsecured Considered Good	5,38,42,104	12,46,30,623
	5,38,42,104	12,46,30,623
Less: Provision for bad and doubtful debts	-	26,47,200
<b>Total</b>	<b>15,51,58,417</b>	<b>17,78,16,139</b>

a) Trade Receivables include amount due from Holding Company **Rs. 1,88,71,887/-** (previous year- Rs. 80,54,397/-). Further, **Rs. 2,48,02,717/-** (previous year Rs. 1,11,98,276/-) against Manpower Charges for Subsidiary companies, which will become due for payment on transfer of the subsidiary to the successful bidder.

**13 Cash And Bank Balances**

		( in Rs.)
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Cash and Cash Equivalents</b>		
Balances with banks		
Current accounts	81,09,958	6,61,978
Cheques in Hand	-	-
Deposits Accounts with Banks with maturity up to 3 months	99,00,000	1,00,00,000
	1,80,09,958	1,06,61,978
<b>Other Bank Balances</b>		
Deposits Accounts with Banks with maturity more than 3 months but less than 12 months	98,33,99,000	30,95,09,000
	98,33,99,000	30,95,09,000
<b>Total</b>	<b>1,00,14,08,958</b>	<b>32,01,70,978</b>

**14 Other Current Assets**

		( in Rs.)
<b>As at</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Interest accrued but not due on</b>		
Term Deposits	8,81,79,131	4,42,54,641
Loan to Subsidiaries	53,74,709	18,47,201
<b>Amount Receivable from</b>		
Power Finance Corporation (Holding Company)	83,56,102	1,19,00,866
Clients (Net) (Refer Note-31)	32,33,168	40,77,352
<b>Total</b>	<b>10,51,43,110</b>	<b>6,20,80,060</b>



**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****15 Revenue From Operations**

		(in Rs.)
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Consultancy Services	57,25,94,695	36,71,20,042
Other operating revenue		
Sale of Rfp & Rfq	2,80,00,000	60,00,000
Processing Fee	96,798	9,43,396
Provisions Written Back	18,89,060	-
<b>Total</b>	<b>60,25,80,553</b>	<b>37,40,63,438</b>

- a) Provision written back includes amount payable to creditors and provision for expenses

**16 Other Income**

		(in Rs.)
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Interest from		
Deposit with Banks	12,72,83,186	11,45,60,307
Loan to Subsidiary Companies	56,16,049	52,74,067
Miscellaneous Income	45,397	64,082
<b>Total</b>	<b>13,29,44,632</b>	<b>11,98,98,456</b>

**17 Expense For Consultancy Services**

		(in Rs.)
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Sub Consultancy Charges	2,70,41,164	2,02,70,969
Advertisement Expenses	7,76,188	12,34,811
<b>Total</b>	<b>2,78,17,352</b>	<b>2,15,05,780</b>

**18 Employee Benefits Expense**

		(in Rs.)
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Salaries and Wages	6,72,71,290	7,04,92,612
Contribution to Provident and other superannuation benefits	98,30,845	1,26,30,301
Staff welfare expenses	41,79,497	51,49,031
<b>Total</b>	<b>8,12,81,632</b>	<b>8,82,71,944</b>

- a) Employees of the Company are on secondment from Holding Company (PFC Limited). Pay, allowances, perquisites and other benefits of the employees are governed by the terms and conditions under an agreement with PFC Ltd. As per the agreement, amount equivalent to a fixed percentage of Basic Pay & DA of the seconded employees is payable by the company for employee benefits such as provident fund, pension, gratuity, post retirement medical facilities, leave encashment, long service award, economic rehabilitation scheme and other terminal benefits. The contribution for terminal benefits of employees on deputation from NTPC Limited has been paid to NTPC limited as per their policy in this regard.
- b) The employee benefits expense include **Rs. 70,99,779/-** (previous year Rs. 75,98,250/-) towards company's contributions paid / payable to the holding company towards above stated employee benefits.
- c) As per the opinion of Expert Advisory Committee of Institute of Chartered Accountants of India, abovesaid employee benefits are of Defined Contribution Plan and there is no need for Actuary Valuation as per the requirement of AS - 15, consequently no disclosure has been done by the company.

**PFC CONSULTING LIMITED****(A Wholly Owned Subsidiary of Power Finance Corporation Limited)****CIN: U74140DL2008GOI175858****19 Other Expenses**

	(in Rs )	
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Payments to Auditor:		
As Auditor	2,70,000	2,00,000
Certification Charges	-	-
Reimbursement of Expenses	20,000	20,000
Tax Audit Fee	81,000	60,000
Advertisement Expenses	8,98,852	18,32,040
Assets Written Off	28,469	83,965
Electricity & Water charges	20,06,325	16,88,085
Entertainment Expenses	8,51,283	6,95,521
Insurance	1,19,866	38,576
Interest paid on TDS & Income tax	4,43,802	6,93,979
Legal & Professional Expenses	23,95,972	5,34,254
Meeting Expenses	2,02,529	10,02,139
Miscellaneous Expenses	2,71,126	2,96,589
Office Maintenance Expenses	19,41,332	8,74,529
Office Rent	17,06,578	16,13,807
Outsourcing Expenses	80,91,832	37,98,911
Printing & Stationary	4,73,775	5,58,298
Rates & Taxes (including House Tax & Ground Rent)	20,25,445	11,47,614
Repairs & Maintenance	71,312	76,701
Security Expenses	1,27,708	97,728
Site Office Expense	8,31,950	4,08,630
Telephone Expenses	14,14,465	12,16,934
Training Expenses	7,32,568	7,11,484
Travelling & Conveyance	1,33,34,428	1,38,34,959
Usage Charges for Assets (Allocated by PFC)	59,25,192	51,18,223
Vehicle Hiring and Running Expenses	15,03,179	27,28,066
<b>Total</b>	<b>4,57,68,987</b>	<b>3,93,31,032</b>

**20 Prior Period Items (net)**

	(in Rs )	
<b>For the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Revenue</b>		
Consultancy Charges	2,47,200	-
Others	17,379	35,709
	<b>2,64,579</b>	<b>35,709</b>
<b>Expenditure</b>		
Travelling & Others	5,99,653	-
Others	2,58,486	79,095
	<b>8,58,139</b>	<b>79,095</b>
<b>Net expenditure/(revenue)</b>	<b>5,93,560</b>	<b>43,386</b>

**PFC CONSULTING LIMITED**

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN: U74140DL2008GOI175858

- 21 The following common expenses (inclusive of service tax) have been provided in the books of account as charged by the holding company:

(in Rs.)

Particulars	31.03.2016	31.03.2015
Usage Charges for Assets	59,25,192	51,18,223
Electricity & Water Charges	20,03,656	16,83,703
House Tax & Ground Rent	20,25,445	11,47,614
Insurance (Other than vehicles)	1,19,866	38,576
Postage & Telegram	-	-
Administrative Expenses (Office Maint, Hindi Promotion Expenses)	74,876	1,09,267
Training Expenses	7,200	60,329
Legal & Professional Expenses (PF audit Fee)	10,290	10,714
Sundry Expenses	10,18,442	4,67,785
Telephone Expenses	1,12,402	1,27,570
<b>Total</b>	<b>1,12,97,369</b>	<b>87,63,781</b>

- 22 Commitments to the extent not provided for :  
Estimated amount of contracts remaining to be executed on capital account and not provided for - **Rs. Nil** (previous year- Rs. Nil).
- 23 **Contingent liabilities**
- (a) **Claims against the company not acknowledged as Debt**  
The company had deposited Rs. 61,87,611/- under Voluntary Compliance Encouragement Scheme 2013 in terms of Section 106 of Finance Act, 2013 and filed its application, which has been rejected by the service tax authorities. The company has filed an appeal against the said rejection order and the appeal is pending as at the date of balance sheet. The financial implication if any, consequent to the above cannot be ascertained. The company is hopeful of passing of appellate order in its favour, therefore no liability in this regard has been provided in the financial statements.
- (b) **Guarantees**  
Guarantee issued in domestic currency **Rs. 27,00,000/-** (previous year - Rs. Nil)
- 24 The Company is operating in a single segment i.e. providing consultancy services and is operating within India therefore no further disclosures are required as per Accounting Standard-17 on Segment Reporting.
- 25 Wherever any expenditure is shared with the Holding Company, procedural and statutory requirements in respect of deduction of Tax at Source and other statutory compliances as applicable are complied by the Holding Company.
- 26 In view of the nature of assets held by the company and the rate of depreciation charged thereon, in the opinion of the management no further provision for impairment of assets is necessary.

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

S. No.	Particulars	31.03.2016	31.03.2015
		<b>Amount in Rs.</b>	Amount in Rs.
(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	<b>11,859</b>	1,92,296
	- 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	-	-

- 28 The Company has adopted operating cycle of 12 months. The classification of current & Non-Current is based on above operating cycle
- 29 As per Accounting Standard 21 para 11 a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is incorporated and held exclusively with a view to its subsequent disposal in the near future. Therefore the financial statements of the subsidiary companies are not consolidated with the financial statements of the Company.
- 30 During the year following subsidiaries (ITPs) have been incorporated:

Company Name	Date of Incorporation
Odisha Generation Phase-II Transmission Limited	17.04.2015
Warora-Kurnool Transmission Limited	20.04.2015
Gurgaon-Palwal Transmission Limited	26.10.2015
Kohima-Mariani Transmission Limited	22.01.2016
Medinipur-Jeerat Transmission Limited	22.01.2016

- 31 The value of invoices raised pursuant to execution of contract agreement/ issue of letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to **Rs. 3,31,14,306/-** (previous year Rs.4,08,93,306/-) has been setoff from amount Receivable from clients (asset) amounting to **Rs. 3,63,47,474/-** (previous year Rs. 4,49,70,658/-) respectively.
- 32 Disclosures as per Accounting Standard 18 - Related Parties
- (a) No disclosures as regards related party relationships and transactions with holding company (PFC), subsidiaries and other fellow-subsidiaries is made in the financial statements as they are state-controlled enterprises.
- (b) Key Managerial Personnel  
The Key Managerial personnel (KMP) of the Company are employees of the Holding Company (PFC) deployed on part time basis except C.E.O. who is on full time basis. No sitting fees has been paid to the directors. The details of such key Management Personnel are as follows:

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri M. K. Goel	Chairman	13.09.2013	Continuing
2	Shri R.Nagarajan	Director	21.10.2008	Continuing
3	Shri A. K. Agarwal	Director	23.09.2013	Continuing
4	Shri D. Ravi	Director	01.12.2015	Continuing
5	Shri C. Gangopadhyay*	CEO	03.12.2013	Continuing

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

- (c) Managerial Remuneration to CEO for the year ended on 31.03.16 is **Rs. 48,98,846/-** (previous year Rs.40,34,023/-)

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

S. No.	Particulars	31.03.2016	31.03.2015
1	Nominal Value of share (Rs.)	10	10
2	Number of Equity shares (No.)	50,000	50,000
3	Net Profit after tax (Rs.)	37,05,74,625	21,70,39,283
4	Basic Earning per share (Rs.)	7,411.49	4,340.79
5	Diluted Earning per share (Rs.)	7,411.49	4,340.79

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

(in Rs.)

Provision for	Opening Balance	Addition during the year	Paid/ adjusted during the year	Closing Balance
Performance Related Pay (PRP)	96,36,671	75,64,702	82,72,469	89,28,904
CSR	16,18,081	65,04,765	-	81,22,846
Income Tax	32,24,826	19,94,87,627	20,27,12,453	-

- 35 **Transactions in foreign currency -**

(i) **Income/Receipts**

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

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

36 **Operating Lease:**

The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guest houses and Premises for residential use of employees for a period of one to two year and are usually renewable on mutually agreed terms, and are cancellable. Lease payments in respect of premises for offices **Rs. 17,06,578/-** (previous year Rs. 16,13,807/-) are included under 'Office Rent' in Note 19- Other Expenses and in respect of Premises for residential use of employees **Rs. 30,53,704/-** (previous year Rs.30,58,016/-) towards lease payments, net of recoveries are included in Salary & Allowances in Note 18 – Employee Benefit Expenses.

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

As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy.

The details of CSR expenses for the year are as under:

Particulars	(in Rs.)
A. CSR Amount	
Opening unspent amount - previous year	16,18,081
Amount required to be spent during 2015-16	65,04,765
Total	81,22,846
B. Amount provided for CSR	
Revenue expenses	65,04,765
Capital expenses	-
C. Shortfall amount for FY 2015-16	-
D. Break-up of the amount spent on CSR:	
Advances to Community development and welfare expenses (Note. 10)	44,71,713
Amount lying in provisions (Note. 6)	81,22,846
CSR unspent amount as at 31.03.2016	36,51,133

- 38 The Board of Directors of PFCCCL and PFCCAS (Subsidiary of PFC Limited, Holding Co) accorded In Principle approval to the proposed merger of PFCCAS with PFCCCL in their meeting held on 18.05.2015. The Board of Directors of PFC Limited also accorded approval for the merger in the meeting held on 28.05.2015. The application for approval of MOP for merger was sent on 21.01.2016. Approval of Ministry of Power, Government of India is awaited.
- 39 There is no financial impact on account of change in accounting policy relating to Basis of Preparation (Note- 1a), Use of Estimates (Note-1 b), Tangible Assets / Intangible Assets (Note- 1 c), Depreciation / Amortisation (Note-1e), Cash Flow Statement / Cash & Cash Equivalents (Note- 1h) and Operating Lease (Note- 1 p).
- 40 In the opinion of the management the value of current assets loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2016.
- 41 Corresponding figures for the previous year have been regrouped/rearranged wherever necessary to conform to current year's classification. Figures have been rounded off to the nearest rupees unless otherwise stated.

**For and on behalf of Board of Directors**

Sd/-  
(C. Gangopadhyay)  
CEO  
DIN 02271398

Sd/-  
(R. Nagarajan)  
Director  
DIN 00701892

Sd/-  
(M. K. Goel)  
Chairman  
DIN 00239813

Sd/-  
(Rachna Gupta Singh)  
Company Secretary  
Membership No: F 8471

These are the notes referred to in Balance Sheet and Statement of Profit and Loss

For V. K. Verma & Co.  
Chartered Accountants  
(Firm Registration No: 000386N)

Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826

Place: - New Delhi  
Date: - 17.05.2016

## PFC CONSULTING LIMITED

## (A Wholly Owned Subsidiary of Power Finance Corporation Limited)

## AOC-1 (Subsidiaries - SPVs)

## Form AOC 1

"(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures."

## PART "A" : Subsidiaries - SPVs

S No.	Name of the Subsidiary / SPV	Reporting period	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Baliabgarh-GN Transmission Company Limited	01.04.2015-31.03.2016	5,00,000	(28,749)	69,96,131	65,24,880	-	-	-	-	-	-	100
2	Tanda Transmission Company Limited	01.04.2015-31.03.2016	5,00,000	(28,749)	1,39,39,868	1,34,68,617	-	-	-	-	-	-	100
3	Mohinderghar-Bhiwani Transmission Limited	01.04.2015-31.03.2016	5,00,000	(35,999)	53,32,057	48,68,056	-	-	-	-	-	-	100
4	South-Central East Delhi Power Transmission Limited	01.04.2015-31.03.2016	5,00,000	(33,999)	11,83,720	7,17,719	-	-	-	-	-	-	100
5	Odisha Generation Phase-II Transmission Limited	17.04.2015-31.03.16	5,00,000	(33,999)	1,18,45,193	1,13,79,192	-	-	(33,999)	-	(33,999)	-	100
6	Warora-Kurnool Transmission Limited	20.04.2015-31.03.2016	5,00,000	(33,999)	1,63,38,700	1,58,72,699	-	-	(33,999)	-	(33,999)	-	100
7	Gurgaon-Palwal Transmission Limited	26.10.2015-31.03.2016	1,00,000	(17,680)	49,86,769	49,04,449	-	-	(17,680)	-	(17,680)	-	100
8	Kohima-Mariani Transmission Limited	22.01.2016-31.03.2016	1,00,000	(17,720)	24,51,996	23,69,716	-	-	(17,720)	-	(17,720)	-	100
9	Medinipur-Jeerat Transmission Limited	22.01.2016-31.03.2016	1,00,000	(17,720)	26,92,557	26,10,277	-	-	(17,720)	-	(17,720)	-	100

Note:-

- The Company does not have any foreign subsidiary.
- Turnover is considered as Income from Operations.
- All the SPVs are under pre-operative stage and yet to commence operations.
- Sipat Transmission Limited, Raipur-Rainandgaon-Warora Transmission Limited and Chhattisgarh-WR Transmission Limited (Wholly owned subsidiaries company of PFC Consulting Limited) have been transferred during the year.

## For and on behalf of the Board of Directors

Sd/-  
(C. Gangopadhyay)  
CEO  
DIN 02271398

Sd/-  
(R.Nagarajan)  
Director  
DIN - 00701892

Sd/-  
(M.K. Goel)  
Chairman  
DIN - 00239813

Sd/-  
(Rachna Gupta Singh)  
Company Secretary  
Membership No : F 8471

Signed in terms of our report of even date attached  
For V. K. Verma & Co.  
Chartered Accountants  
(Firm Registration No:000386N)

Sd/-  
(Vivek Kumar)  
Partner  
M. No. 503826

Place : New Delhi  
Date:- 17.05.2016



**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 8<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON TUESDAY THE 16<sup>TH</sup> DAY OF AUGUST, 2016 AT 12:30 P.M. AT "URJANIDHI", 1 BARAKHAMBHA LANE, CONNAUGHT PLACE, NEW DELHI - 110001

Please ✓ in the box

MEMBER

☐

PROXY

☐

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

**PFC CONSULTING LIMITED**  
CIN U74140DL2008GOI175858

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

**Proxy form**

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighth Annual general meeting of the company, to be held on Tuesday the 16<sup>th</sup> day of August, 2016 at 12:30 P.M. at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi 110001 and at any adjournment thereof in respect of such resolutions as are indicated below :

**Resolution No.**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri R. Nagarajan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013.
4. To appoint Shri D. Ravi as Director of the Company.
5. To enhance the Authorised Share Capital to Rs. 10 Lakh (Rupees Ten Lakh only) and to alter the Memorandum of Association of the Company by substituting the existing Clause V and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

Signed this..... day of..... 2016

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

**Consent letter for holding Annual General Meeting at shorter notice**

To

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

I, ....., S/o ....., R/o ..... holding  
..... Equity Shares of Rs.10/- each in the company, do hereby give consent for calling the  
Annual General Meeting on Tuesday, the 16<sup>th</sup> day of August, 2016 at 12.30 P.M. at a shorter  
notice, pursuant to the proviso of Section 101 of the Companies Act, 2013.

Signature\_\_\_\_\_

Name: .....

Date:





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