

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

13TH ANNUAL REPORT **(2020-21)**

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Corporate Information

BOARD OF DIRECTORS

- | | |
|--------------------------|------------|
| 1. Shri R.S. Dhillon | : Chairman |
| 2. Shri P.K. Singh | : Director |
| 3. Smt. Parminder Chopra | : Director |

CGM (IN-CHARGE)

Shri Manoj Kumar Rana

COMPANY SECRETARY

Shri Manish Kumar Agarwal

SUBSIDIARIES

Tanda Transmission Co. Ltd.
Shongtong Karcham-Wangtoo Transimission Ltd.
Bijawar-Vidarbha Transmission Ltd.
Vapi II-Lakhimpur Transmission Ltd.
Bikaner-Khetri Transmission Ltd.
Bhuj-II Transmission Ltd.
Karur Transmission Ltd.
Koppal-Narendra Transmission Ltd.
Ananthpuram Kurnool Transmission Ltd.
Khetri-Narela Transmission Ltd.
Bhadla Sikar Transmission Ltd.
Nangalbibra-Bongaigaon Transmission Ltd.
Kishtwar Transmission Ltd.
Khavda-Bhuj Transmission Ltd.
Mohanlalganj Transmission Ltd.

STATUTORY AUDITORS

M/s. Khanna & Annadhanam, Chartered Accountants

BANKERS:

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

REGISTERED OFFICE:

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

CORPORATE OFFICE:

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

WEBSITE:

www.pfcclindia.com

PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

BOARD'S REPORT 2020-21

To

The Members,

The Directors have pleasure in presenting the 13th Board Report on the performance of your Company for the Financial Year ended 31st March, 2021 together with Audited Financial Statements, Auditor's Report thereon and comments of Comptroller & Auditor General of India.

FINANCIAL HIGHLIGHTS

(Figures in ₹ Lakh)

Sl. No.	Particulars	2020-21	2019-20	% Change
1.	Total Income	7,446	11,807	(37%)
2.	Total Expenditure	3,774	3,961	(5%)
3.	Profit Before Tax	3,672	7,845	(53%)
4.	Provision for Tax			
	- Current Tax	1,016	1,846	
	- Income tax adjustment for earlier years	-	-	
	- Deferred Tax	(54.30)	185	
5.	Profit After Tax	2,710	5,815	(53%)
6.	Profit brought forward from previous years	5,992.21	9,159.44	
7.	Interim Dividend (including dividend distribution tax)	-	9,041.65	
8.	Final Dividend (including dividend distribution tax)	1,355	-	
9.	Accumulated Profit carried to Balance Sheet	4,567.21	5,992.21	

FINANCIAL PERFORMANCE

i) Revenue

During the financial year under review, the total income of the Company has decreased from ₹11,867 Lakh to ₹7,446 Lakh showing decrease of 37% from the previous year. The main reason for decrease in income is transfer/award of Independent Transmission Projects to successful developers. During the FY 2020-21 only 2 (Two) ITPs were transferred as compared to 5(Five) transferred/awarded in FY 2019-20. However, the income from consultancy assignments (other than from fee on transfer of ITPs and manpower charges) increased from ₹2,440 Lakh to ₹ 3,088 Lakh.

During the year, the Company has earned other income of ₹660.40 Lakh as compared to ₹664.00 lakh of previous year.

ii) Expenses

During the Financial Year 2020-21, the Company had incurred total expenditure of ₹3,774 Lakh as against the total expenditure of ₹3,961 Lakh incurred last year.

iii) Profit

During the financial year 2020-21, your company earned Profit before Tax of ₹ 3,672 Lakh as compared to ₹ 7,845 Lakh for the financial year 2019-20 showing decrease of 53%. The main reason decrease in profit is transfer/award of ITPs. During the FY 2020-21 income of only Rs.1,370 Lakh received as compared to Rs.5,992 Lakh received in FY 2019-20 from transfer/award of ITPs.

iv) Dividend

In compliance of the provisions of Guidelines for Capital Restructuring of Central Public Sector Enterprises (CPSE) dated 27th May 2016 issued by Deptt. of Investment & Public Asset Management (DIPAM), Govt. of India, the Board of Directors in its meeting held on 29th November, 2021 recommended dividend amounting to Rs.1,355 lakh i.e. @50% of the PAT for approval of shareholders.

v) Share Capital

During the financial year 2020-21, the paid-up share capital is ₹ 5,22,460/- (Rupees Five Lakh, Twenty Two Thousand, Four Hundred and Sixty only) comprising of 52,246 equity shares of ₹10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

OPERATIONAL HIGHLIGHTS

Your company has been established to provide Consultancy Services in Power Sector including development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs). The operational highlights of PFC Consulting Limited (PFCCL) for the year under review are as follows:

- i. MAHAGENCO has appointed PFCCL to Carry out comparison of various options to utilize the coal rejects generated from washing of coal at Gare Palma Sector-II coal mine, dist:-Raigarh, MAHAGENCO.
- ii. MPPMCL has appointed PFCCL for Energy Portfolio Management of MP Power Management Company Limited.
- iii. PFC has appointed PFCCL for development of Distribution Sector Information Aggregation & Analytics Portal.
- iv. Ministry of Power appointed PFCCL as nodal agency for conducting bidding under SHAKTI Policy B(ii)-Fourth round for the allocation of Coal to Power Generating Company.
- v. Himachal Pradesh State Electricity Board Limited has appointed PFCCL for implementing Smart Metering in Shimla and Dharamshala Town of HP.
- vi. PFCCL is carrying out implementation of Smart Metering in the Union Territory of Puducherry.

- vii. PFCCL has entered into an MoU with NLC and TANGEDCO for development of Ultra Mega Renewable Energy Power Park in the State of Tamil Nadu.
- viii. PFCCL is assisting Ministry of Power, Govt. of India in the process of Privatisation of Power Departments of:
 - Dadra & Nagar Haveli
 - Daman & Diu
 - Jammu & Kashmir
 - Ladakh
 - Chandigarh
 - Andaman & Nicobar Islands
 - Puducherry and Lakshadweep.
- ix. PFCCL appointed as Bid Process Coordinator (BPC) for eight (8) new Transmission Schemes to be implemented through tariff based Competitive Bidding Process. Eight (8) Special Purpose Vehicle (SPVs) were incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Schemes.
- x. UPPTCL has appointed PFCCL for Providing services of Consultant and Bid Process Coordinator (BPC) for selection of Developer for implementation of TBCB of 400/220/132 kV GIS Substation, Mohanlalganj (Lucknow) with associated 400kV lines, and other 765kV & 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad moose on Monopole) at 400kV GIS Substation Sector 123 Noida (Mohanlalganj Transmission Ltd.), Special Purpose Vehicle (SPVs) was incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Project.
- xi. PFCCL appointed as Project Management Agency for preparation of Action Plan and Detailed Project Report for Revamped Reforms Based and Result Linked Distribution Sector Scheme by APSPDCL, APEPDCL, APCPSCL, WBSEDCL, UPCL, Power Department, Govt. of Sikkim.

ULTRA MEGA POWER PROJECTS (UMPPs)

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super critical thermal power projects (both pit head and imported coal based) in November 2005 with the objective to develop large capacity power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency to facilitate the development of these projects. PFC has authorized PFC Consulting Ltd. to undertake the entire work of UMPPs. CEA is the technical partner for the development of the UMPPs.

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

Till date, Nineteen (19) Special Purpose Vehicles (SPVs) have been established by the PFC for UMPPs. Out of these, fourteen (14) SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPP and Cheyyur UMPP). 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 and the status of rest of the SPVs are given below:.

Sl. No.	UMPP	Status	Fuel
1.	Orissa Integrated Power Ltd., Sundergarh UMPP, Odisha Odisha Infrapower Limited (Infra SPV)	On Fast Track	Domestic Coal Based
2.	Deoghar Mega Power Ltd., Jharkhand 2 nd UMPP Deoghar Infra Limited (Infra SPV)	In Pipe Line	Domestic Coal Based
3.	Bihar Mega Power Ltd., Bihar UMPP Bihar Infrapower Limited (Infra SPV)	In Pipe Line	Domestic Coal Based
4.	Coastal Tamil Nadu Power Limited* Cheyyur Infra Limited (Infra SPV)	All the procurers opted out from the Project	Domestic Coal Based
5.	Coastal Karnataka Power Ltd. Karnataka UMPP** (SPV not yet incorporated)	Karnataka (Lead Procurer) requested for closure of the Project	Imported Coal Based
6.	Sakhigopal Integrated Power Company Ltd., Odisha 1 st Additional UMPP@	Domestic Coal Based	Domestic Coal Based
7.	Ghogarpalli Integrated Power Company Ltd., Odisha 2 nd Additional UMPP@	Domestic Coal Based	Domestic Coal Based
8.	Uttar Pradesh UMPP@ (SPV not yet incorporated)	Domestic Coal Based	Domestic Coal Based
9.	Gujarat 2 nd UMPP@ (SPV not yet incorporated)	Imported Coal Based	Imported Coal Based
10.	Tamil Nadu 2 nd UMPP@ (SPV not yet incorporated)	Imported Coal Based	Imported Coal Based

Jharkhand Integrated Power Limited (JIPL) an SPV for development of Tilaiya UMPP was awarded/transferred to Reliance Power Limited (RPL) on 07.08.2009. However, due to non-availability of land from Procurers, Reliance Power Ltd issued notice for termination of the PPA. Procurers accepted the termination notice and SPV was taken over by Lead Procurer (Jharkhand Urja Vikas Nigam Ltd) for re-bidding of the Project. Jharkhand Infrapower Limited (Infra SPV) was established as an Infra SPV for holding the land for Tilaiya UMPP.

*All the procurers of the UMPP have withdrawn from the Project. TANGEDCO has shown interest in acquiring the SPV (Coastal Tamil Nadu Power Limited) established for the UMPP.

** Govt. of Karnataka requested for discontinuation of the development of Karnataka, UMPP under Coastal Karnataka Power Limited.

@ Letters sent by MoP to respective State Govts. for closure of these UMPPs.

As per the direction of MoP, PFC/PFCCL has initiated necessary steps for closure/Striking off the name of Coastal Maharashtra Mega Power Limited, Chhattisgarh Surguja Power Limited and

Tatiya Andhra Mega Power Limited from the records of Registrar of Companies. Requisite forms for striking off the name will be filed with RoC shortly.

INDEPENDENT TRANSMISSION PROJECTS (ITPs)

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

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

Till date, 40 (forty) Special Purpose Vehicles (SPVs), 2 by PFC and other 38 (thirty eight) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 40(forty) SPVs, Three SPVs were liquidated/ got Striked off the name from the records of Registrar and 26 (twenty six) SPVs were transferred to the successful bidders till date.

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

Sl. No.	Scheme Name	Name of SPV and Date of Incorporation	Status of the Bidding
1.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-D	Sikar-II Aligarh Transmission Limited 17 th May, 2020	SPV transferred to M/s Powergrid Corporation of India Limited (the successful bidder) on 08.06.2021.
4.	Transmission scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh	Anantpuram Kurnool Transmission Limited 13 th May, 2020	On the advice of CEA and MNRE, the bid process was kept on abeyance as no connectivity / LTA applications are received.
5.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-E	Bhadla-Sikar Transmission Limited 13 th May, 2020	On the advice of CEA bid process put on hold.
6.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-F	Bikaner-II Bhiwadi Transco Limited 12 th May, 2020	SPV transferred to M/s Powergrid Corporation of India Limited (the successful bidder) on 25.03.2021.
7.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-G	Khetri-Narela Transmission Limited 15 th May, 2020	The RfP bid submission date has been extended and the last date for submission is on 21.12.2021.

8.	Establishment of new 220/132kV substation at Nangalbibra	Nangalbibra - Bongaigaon Transmission Limited 9 th April, 2021	After completion of bidding process LoI is issued to M/s Sterlite Grid 26 Limited.
9.	Transmission System for Evacuation of Power from Pakaldul HEP in Chenab Valley HEPs - Connectivity System	Kishtwar Transmission Limited 15 th April, 2021	The RfP bid submission date has been extended and the last date for submission is on 15.12.2021.
10.	Transmission Scheme for Evacuation of 3 GW RE Injection at Khavda P.S. under Phase-I	Khavda - Bhuj Transmission Limited 17 th May, 2021	RfP bid evaluation is under process.

MoP have de-notified the schemes for Tanda Transmission Company Limited, Shongtong Karcham-Wangtoo Transmission Limited and Bijawar-Vidarbaha Transmission Limited. The process for striking off the name of SPV from the records of Registrar of Companies (ROC) have been initiated.

CLIENT BASE

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

Clients	No.
State Utilities	41
Licensees/ IPPs	13
Public Sector Undertakings	9
State Governments	8
Regulatory Commissions	3
Central Govt. departments/Ministries	2
Total	76

PFCCL has worked on over 158 assignments for 76 Clients spread across 27 States/UTs namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Telangana, Tripura, Uttar Pradesh Manipur, West Bengal, Uttrakhand and Sikkim

SUBSIDIARIES

Incorporation of Subsidiary

During the period under view to till date, Nine (9) new companies have been incorporated for development of Transmission schemes. Theses SPVs were transferred to the successful bidder after completion of bidding process. The details are as follows:

- Bikaner-II Bhiwadi Transco Limited (BBTL was incorporated on 12th May, 2020) for development of "Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-F". After completion of bid

process the SPV was transferred to M/s Powergrid Corporation of India Limited (Successful Developer) on 25.03.2021.

- (ii) Sikar-II Aligarh Transmission Limited (SATL was incorporated on 17th May, 2020) for development of "Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-D". After completion of bid process the SPV was transferred to M/s Powergrid Corporation of India Limited (Successful Developer) on 08.06.2021.
- (iii) Anantpuram Kurnool Transmission Limited was incorporated on 13th May, 2020 for Transmission scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh
- (iv) Bhadla-Sikar Transmission Limited was incorporated on 13th May, 2020 for Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-E
- (v) Khetri-Narela Transmission Limited was incorporated on 15th May, 2020 for Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-G
- (vi) Nangalbibra - Bongaigaon Transmission Limited (NBTL was incorporated on 9th April, 2021) for "Establishment of new 220/132kV substation at Nangalbibra". After completion of bid process Letter of Intent was issued to M/s Sterlite Grid 26 Limited (the Successful bidder).
- (vii) Khavda-Bhuj Transmission Limited (KBTL was incorporated on 17th May, 2021) for development of "Transmission Scheme for Evacuation of 3 GW RE Injection at Khavda P.S. under Phase-I". The RfP bid for selection of developer is under evaluation.
- (viii) Kishtwar Transmission Limited (KTL was incorporated on 15th April, 2021) for development of "Transmission System for Evacuation of Power from Pakaldul HEP in Chenab Valley HEPs - Connectivity System".
- (ix) Mohanlalganj Transmission Limited (MTL was incorporated on 8th June, 2021) for implementation of TBCB of 400/220/132 kV GIS Substation, Mohanlalganj (Lucknow) with associated 400kV lines, and other 765kV & 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad moose on Monopole) at 400kV GIS Substation Sector 123 Noida. After the completion of bid process M/s Powergrid Corporation of India Limited was selected as successful bidder.

Transfer of Subsidiaries

During the period under view to till date, the Company has transferred three (03) of its wholly owned subsidiary as per the detail given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	Vapi II - North Lakhimpur Transmission Limited	Sterlite Grid 13 Limited	23.06.2020
2.	Bikaner-II Bhiwadi Transco Limited	Power Grid Corporation of India Limited	25.03.2021
3.	Sikar-II Aligarh Transmission Limited	Power Grid Corporation of India Limited	08.06.2021

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

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

JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has entered into an Memorandum of Understanding (MoU) with NLC India and TANGEDCO for establishment of Joint Venture Company for development of Ultra Mega Renewable Energy Power Park in the State of Tamil Nadu. The JV Company is yet to be incorporated.

DIRECTORS

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

- Pursuant to the office order issued by PFC, Shri Rajiv Ranjan Jha was appointed as Director on the board of the Company w.e.f. 12th November, 2021.

Pursuant to the provisions of Section 161(1) of the Companies Act 2013, Shri Rajiv Ranjan Jha will hold office upto the date of ensuing Annual General Meeting. The Board recommends that Shri Rajiv Ranjan Jha 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. S. Dhillon, Chairman shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Shri P. K. Singh, Director of the Company has superannuated from the services of PFC w.e.f. 31st January, 2022 and accordingly ceased to be the director of the Company.

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

1. Shri R.S. Dhillon : Chairman / CMD, PFC
2. Smt. Parminder Chopra : Director / Director (Finance), PFC
3. Shri Rajiv Ranjan Jha : Director / Director (projects), PFC

MEETINGS OF BOARD OF DIRECTORS

Eight (8) Board meetings were held during the financial year 2020-21, as against the requirement of minimum four meetings in a year. The details of Board meetings are given below:

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	26 th May, 2020	04	04
2	16 th June, 2020	03	03
3	28 th July, 2020	03	03
4	10 th August, 2020	03	03
5	11 th December, 2020	03	03
6	12 th January, 2021	03	03
7	05 th March, 2021	03	03
8	31 st March, 2021	03	03

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF BOARD OF DIRECTORS

During the financial year 2020-21, two (02) meetings of CSR Committee were held. The details of Committee meetings are given below:

S. No	Date of Meeting	Committee Strength	No. of Members Present
1	26 th May, 2020	03	03
3	31 st March, 2021	03	03

HUMAN RESOURCES DEVELOPMENT

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

AUDITOR'S REPORT

M/s. KPMC & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India.

The Statutory Auditors have audited the accounts of the Company for the FY 2020-21 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed herewith.

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

The Comptroller and Auditor General of India (C&AG) has mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report. The copy of the report of C&AG is annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected, applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis;
- The company has laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively; and
- The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT.

The Statutory Auditor of the Company during the course of audit for FY 2019-20 has highlighted certain irregularities/ misappropriations in some of the transactions related to business promotions, official hospitality and related allocation of expenses to subsidiaries/ fellow subsidiary companies. Statutory Auditor of the Company vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCL under Section 143(12) of the Companies Act, 2013 and MCA.

Based on this letter of Statutory Auditor, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

MEMORANDUM OF UNDERSTANDING (MoU)

Your Company has entered into Memorandum of Understanding (MoU) with its holding company, Power finance Corporation Limited for the Financial Year 2020-21.

OFFICIAL LANGUAGE

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

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31st March, 2021 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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

Your company has successfully transferred one SPV to the successful developers after completion of the bidding process. Further, your Company is appointed as Project Management Agency for preparation of Action Plan and Detailed Project Report for Revamped Reforms Based and Result Linked Distribution Sector Scheme by various state power distribution utilities.

PARTICULARS OF EMPLOYEES

The Company is a wholly owned subsidiary of PFC and all the employees working for the Company are the employees of PFC. However, during the year all employees related payments to such employees of PFC assigned to work for PFCCL were made and borne by the Company.

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

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

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 “Internal Complaint Committee” has been constituted in the company for redressal of complaint(s) relating to sexual harassment of women employees. The committee is headed by a senior women official of PFC and includes a representative from All India Women’s Education Fund Association as one of its member. PFCCL follows the anti-sexual harassment stance as outlined in the Conduct, Discipline and Appeal Rules of our parent Company i.e. PFC. During the financial year 2020-21, no complaint of sexual harassment was received by the company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE

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

EXTRACT OF THE ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of the Company.

As per the decision of Board of PFCCL, PFCCL has to utilize its CSR budget in the scheme shortlisted by PFC (Holding Company). The Board of Directors of the Company has approved the CSR budget of Rs.1,04,56,445/- for ‘Training, research and Entrepreneurship Development in Smart Grid through Indian Institute Of Technology, Kanpur (IITK). As there is no demand raised by IITK the whole amount were deposited in a Special Bank Account as per the provisions of Section 135 of the Companies Act, 2013.

RISK MANAGEMENT

The Company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Department of Public Enterprises. Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Power as per the requirements of DPE Corporate Governance Guidelines.

The Report on Corporate Governance as stipulated under the DPE Guidelines forms an integral part of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

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

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

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

ACKNOWLEDGEMENT

The Directors put on record their gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers, Power Finance Corporation Limited and the employees for their unstinted co-operation.

For and on behalf of the Board of Directors

sd/-

(Ravinder Singh Dhillon)

Chairman

DIN: 00278074

Date: -23.03.2022

Place: New Delhi

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:
PFC Consulting Limited (PFCCL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.

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) Shongtong Karcham-Wangtoo Transmission Ltd	: Subsidiary Company
4) Bijawar-Vidarbha Transmission Ltd.	: Subsidiary Company
5) Vapi II-Lakhimpur Transmission Ltd.	: Subsidiary Company
6) Karur Transmission Limited	: Subsidiary Company
7) Koppal-Narendra Transmission Limited	: Subsidiary Company
8) Sikar-II Aligarh Transmission Ltd.	: Subsidiary Company
9) Khetri-Narela Transmission Ltd.	: Subsidiary Company
10) Ananthpuram Kurnool Transmission Limited	: Subsidiary Company
11) Bhadla Sikar Transmission Limited	: Subsidiary Company
12) Orissa Integrated Power Ltd.	: Subsidiary of the Holding Company
13) Coastal Tamil Nadu Power Ltd.	: Subsidiary of the Holding Company
14) Chhattisgarh Surguja Power Ltd.	: Subsidiary of the Holding Company
15) Deoghar Mega Power Ltd.	: Subsidiary of the Holding Company
16) Coastal Maharashtra Mega Power Ltd.	: Subsidiary of the Holding Company
17) Cheyyur Infra Ltd.	: Subsidiary of the Holding Company
18) Odisha Infrapower Ltd.	: Subsidiary of the Holding Company
19) Tatiya Andhra Mega Power Ltd.	: Subsidiary of the Holding Company
20) Sakhigopal Integrated Power Co. Ltd.	: Subsidiary of the Holding Company
21) Ghogarpalli Integrated Power Co. Ltd.	: Subsidiary of the Holding Company
22) Coastal Karnataka Power Ltd.	: Subsidiary of the Holding Company
23) Deoghar Infra Ltd.	: Subsidiary of the Holding Company
24) Bihar Infrapower Ltd.	: Subsidiary of the Holding Company
25) Bihar Mega Power Ltd.	: Subsidiary of the Holding Company
26) Jharkhand Infrapower Ltd.	: Subsidiary of the Holding Company

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

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

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

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

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

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

For and on behalf of the Board of Directors

Sd/-

(R. S. Dhillon)
Chairman
DIN: 00278074

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2021

[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><input type="checkbox"/></td></tr> <tr><td>3. One Person Company</td><td><input type="checkbox"/></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td><input type="checkbox"/></td></tr> <tr><td>5. NBFC</td><td><input type="checkbox"/></td></tr> <tr><td>6. Guarantee Company</td><td><input type="checkbox"/></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td><input type="checkbox"/></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><input type="checkbox"/></td></tr> <tr><td>11. Company Registered under Section 8</td><td><input type="checkbox"/></td></tr> </table>	1. Government Company	<input checked="" type="checkbox"/>	2. Small Company	<input type="checkbox"/>	3. One Person Company	<input type="checkbox"/>	4. Subsidiary of Foreign Company	<input type="checkbox"/>	5. NBFC	<input type="checkbox"/>	6. Guarantee Company	<input type="checkbox"/>	7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company	<input type="checkbox"/>	9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital	<input type="checkbox"/>	11. Company Registered under Section 8
1. Government Company	<input checked="" type="checkbox"/>																						
2. Small Company	<input type="checkbox"/>																						
3. One Person Company	<input type="checkbox"/>																						
4. Subsidiary of Foreign Company	<input type="checkbox"/>																						
5. NBFC	<input type="checkbox"/>																						
6. Guarantee Company	<input type="checkbox"/>																						
7. Limited by shares	<input checked="" type="checkbox"/>																						
8. Unlimited Company	<input type="checkbox"/>																						
9. Company having share capital	<input checked="" type="checkbox"/>																						
10. Company not having share capital	<input type="checkbox"/>																						
11. Company Registered under Section 8	<input type="checkbox"/>																						
v)	Address of the Registered office and contract details	First Floor 'Urjanidhi' 1 Barakhamba Lane, Connaught Place New Delhi-110001,																					
vi)	Whether shares listed on recognized Stock Exchange(s)	No																					
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA) if any :- N.A.																						

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

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

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Power Finance Corporation Ltd. 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001.	L65910DL1986GOI024862	Holding Company	100	2(46)
2	Tanda Transmission Company Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U74999DL2013GOI257471	Subsidiary Company	100	2(87)
3	Bijawar-Vidarbha Transmission Ltd. First Floor, 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	U40300DL2017GOI310540	Subsidiary Company	100	2(87)

c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
E) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	0	52246	52246	100.00	0	52246	52246	100.00	0.00
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	52246	52246	100.00	0	52246	52246	100.00	0.00

* Nominee of Power Finance Corporation Limited

(ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Power Finance Corporation Limited	51546	98.66	0.00	51546	98.66	0.00	0.00
2	Shri Dinesh Vij*	100	0.19%	0.00	100	0.19%	0.00	0.00
3	Shri Gaurisankar Patra*	100	0.19%	0.00	100	0.19%	0.00	0.00
4	Shri P.K.Singh*	100	0.19%	0.00	100	0.19%	0.00	0.00
5	Shri Subir Mulchandani*	100	0.19%	0.00	NIL	NIL	0.00	(0.19)
6	Shri R.S. Dhillon*	100	0.19%	0.00	100	0.19%	0.00	0.00
7	Shri Subir Saha*	100	0.19%	0.00	100	0.19%	0.00	0.00
8	Shri Yogesh Juneja*	100	0.19%	0.00	NIL	NIL	0.00	(0.19)
9	Shri Manoj Kr. Rana	0	0.00	0.00	100	0.19%	0.00	0.19
10	Shri Mohan Lal	0	0.00	0.00	100	0.19%	0.00	0.19

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

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

SI No.	Particulars	Date	Shareholding		Cumulative Share holding during 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 01.04.2020 to 31.03.2021				
	Increase during the year (Allotment pursuant to the amalgamation of PFC Capital Advisory Services Ltd. with the company)					
	At the end of the year					

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		As on Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
		No. of shares at the beginning / end of the year	% of Total shares of Company				No. of Shares	% of Total shares of Company

1	Shri P.K. Singh *	100	0.19	01.04.2020	NIL	-	100	0.19
		100	0.19	31.03.2021				
2	Shri R.S. Dhillon*	100	0.19	01.04.2020	NIL	-	100	0.19
		100	0.19	31.03.2021				

* Nominee of Power Finance Corporation Limited

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
1	Independent Directors									
	Fee for attending board committee meetings	NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR								
	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/MTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	66.42	41.37		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(in Lakhs)	(in Lakhs)		
	(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, 2021.

For and on behalf of the Board of Directors

Sd/-
(Ravinder Singh Dhillon)
Chairman
DIN: 00278074

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

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

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

Web link:

<http://www.pfcclindia.com/downloads/csr-policy.pdf>

Projects & Programs:

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

2. The Composition of the CSR Committee.

Sl. No.	Name	Designation
1.	Shri R. S. Dhillon	Chairman/CMD, PFC
2.	Shri P. K. Singh	Member/Director/Director (Commercial), PFC
3.	Smt. Parminder Chopra	Member/ Director/Director (Finance), PFC

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

S.No.	Financial Year	Consolidated Audited Profit Before Tax (PBT) (figures in ₹)
1	2017-18	45,20,24,197/-
2	2018-19	33,52,51,860/-
3	2019-20	78,45,32,000/-
Total		
Average of above three FYs		52,39,36,019/-
2% of the average consolidated PBT		1,04,56,445/-
2% of the average consolidated PBT excluding dividend received from other companies		1,04,56,445/-

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

2% of the average consolidated PBT excluding dividend received from other companies is ₹1,04,56,445/- (Rupees One Crore Four Lakh Fifty Six Thousand Four Hundred Forty Five Only).

5. Details of CSR Spent during the financial year.

- a) Total amount to be spent for the financial year 2020-21 is ₹1,04,56,445/- (Rupees One Crore Four Lakh Fifty Six Thousand Four Hundred Forty Five Only). The Board of Directors in its meeting held

on 31.03.2021 approved the scheme for Training, research and Entrepreneurship, Development in Smart Grid through Indian Institute of Technology, Kanpur (IITK). Since **NIL** amount was spent for the FY 2020-21, entire amount of Rs.1,04,56,445/- was deposited in a special account within a period of thirty days from the end of the financial year.

- b) Amount unspent against identified projects, if any – CSR budget of Rs.1,17,32,259/- was remained unspent for the FY 2019-20 for the project Skill Development Training of 408 nos. (approx.) of un-employed youth belonging to SC/ST/OBC/PwD/women/EWS categories through Indo-German Institute of Advance Technology (IGIAT). An amount of Rs.1,05,59,304/- was disbursed out of Rs.1,17,32,259/-.

- 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.**

As per the decision of Board of PFCCL, PFCCL has to utilize its CSR budget in the scheme shortlisted by PFC (Holding Company). The Board of Directors of the Company has approved the CSR budget and project for Training, research and Entrepreneurship, Development in Smart Grid through Indian Institute of Technology, Kanpur (IITK) on 31.03.2021. The entire unspent amount of ₹1,04,56,445/- (Rupees One Crore Four Lakh Fifty Six Thousand Four Hundred Forty Five Only) was deposited in a special account within 30 days from the end of the financial year.

- 7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.**

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

sd/-

(Manoj Kr. Rana)
CEO, PFCCL

sd/-

(R.S. Dhillon)
Chairman, CSR Committee



भारतीय लेखापरीक्षा और लेखा विभाग
काबोलय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

Dated: 08/02/2022

सेवा में,

अध्यक्ष,

पीएफसी कंसल्टिंग लिमिटेड

प्रथम तल, उजो निधि,

1. बाराखम्बा लेन,

कनाट प्लेस, नई दिल्ली-110 001

विषय - 31 मार्च 2021 को समाप्त वर्ष के लिए पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।


महोदय,

मैं पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

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

सलग्नक - यथोक्त।

भवदीय,


(डी. के. शेखर)
महानिदेशक

गोपनीय

संख्या.: DGA(Energy)/REP/01-111/Acs-PFCCL_SFS/2021-22/

दिनांक:

पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली को जारी की गई शून्य टिप्पणियाँ तथा कंपनी के 2020-21 के वार्षिक लेखाओं, वैधानिक लेखापरीक्षक की रिपोर्ट एवं Annexure A की एक प्रति भारत के नियंत्रक-महालेखापरीक्षक (वाणिज्यिक लेखापरीक्षा खण्ड-III), 9, दीनदयाल उपाध्याय मार्ग, नई दिल्ली को सूचनार्थ प्रेषित की जाती है। वैधानिक लेखापरीक्षकों की कार्यनिष्पादन प्रतिवेदन, Compliance Certificate एवं मुख्यालय से प्राप्त पत्र सं 391 CA-III/ND-III/Annual Accounts/2012-13 दिनांक 09.05.2013 के सन्दर्भ में इस कार्यालय की Compliance Statement भी आवश्यक कार्यवाही हेतु प्रेषित है।

संलग्नक: यथोपरि।

(डी. के. शेखर)

महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF PFC CONSULTING LIMITED FOR THE YEAR ENDED 31
MARCH 2021**

The preparation of financial statements of PFC Consulting Limited for the year ended 31 March 2021 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 29 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of PFC Consulting Limited for the year ended 31 March 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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



(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated:

Dated: 9/03/2022

अध्यक्ष,
पीएफसी कंसल्टिंग लिमिटेड
प्रथम तल, उर्जा निधि,
1, बाराखम्बा लेन,
कनाट प्लेस, नई दिल्ली-110 001

महोदय,

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

संलग्नक:- यथोपरि।

पाँचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी. बिल्डिंग, एनैक्ससी, 10, बहादुर शाह जफर मार्ग, नई दिल्ली-110002

5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002

Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in


गोपनीय

संख्या.: DGA(Energy)/REP/01-112/Acs-PFCCL_CFS/2021-22/

दिनांक:

पीएफसी कंसल्टिंग लिमिटेड, नई दिल्ली को उसके वर्ष 2020-21 के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर जारी की गई शून्य टिप्पणियाँ तथा कंपनी के 2020-21 के समेकित वित्तीय विवरण (Consolidated Financial Statement), वैधानिक लेखापरीक्षक की रिपोर्ट एवं Annexure 'A' एवं Compliance Certificate की एक प्रति भारत के नियंत्रक-महालेखापरीक्षक (वाणिज्यिक लेखापरीक्षा खण्ड-III), 9, दीनदयाल उपाध्याय मार्ग, नई दिल्ली को सूचनार्थ प्रेषित की जाती है।

संलग्नक: यथोपरि।


(डी. के. शेखर)
महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PFC
CONSULTING LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of consolidated financial statements of PFC Consulting Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of PFC Consulting Limited for the year ended 31 March 2021 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Companies mentioned in Annexure A, but did not conduct supplementary audit of the financial statements of mentioned in annexure B for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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



(D. K. Sekar)

Director General of Audit (Energy),
Delhi

Place: New Delhi

Dated: 9/02/2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company (PFCCL) is pleased to present its Report on Industry scenario including Company's performance during the FY 2020-21.

Industry Structure and Developments

The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

Your Company is engaged in providing consultancy services in power and other allied sector. The impending issues, policy shifts and change in market developments have led to a creation of plethora of opportunities for sectorial consulting firms to offer to the government / government owned companies and provide subject matter expertise to the private organizations.

STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS

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

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

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

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

OUTLOOK ON POWER SECTOR

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). By 2022, solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower. The target for renewable energy has been increased to 227 GW by 2022.

A. Generation:

As on March 31, 2021, India's total installed capacity was 3,82,151.22 MW. Thermal sources continued to have a dominant share at around 61.42% (2,34,728.22 MW), Hydro around 12.09% (46,209.22 MW), Renewable around 24.71% (94,433.79 MW) and Nuclear around 1.77% (6780 MW). The installed capacity stood at around 27.18% (1,03,869.64 MW) in state sector, around 47.30% (1,80,774.66 MW) in private sector and around 25.51% (93,506.93 MW) in central sector. The capacity addition target for the FY 2020-21 was set at 11,101.15 MW. However, a capacity addition of 5,436.15 MW has been achieved during the FY 2020-21.

B. Transmission:

Transmission system establishes the link between source of generation on one side and distribution system on the other side. Transmission planning is a continuous process of assessing the need, timing and the requirement for additional transmission systems. The transmission requirements could arise on account of factors like new generation additions in the system, increase in demand etc. Thus, for efficient dispersal of power, strengthening the transmission system network, enhancing the Inter-State power transmission system, augmentation of the National Grid and enhancement of the transmission system network is imperative. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

At the end of the fiscal 2021, our country had an extensive transmission network spanning 4,41,821 Ckms (at the 220 kV and above voltage levels). Further against a target of adding 15,791 Ckms of transmission lines for FY 2020-21, 16,750 Ckms have been achieved.

C. Distribution:

The Central Government has approved a Revamped Distribution Sector Scheme- a Reforms-based and Results-linked Scheme with an outlay of Rs.3,03,758 crore over a period of five years from FY 2021-22 to FY 2025-26 with the objective to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The Scheme aims to reduce the AT&C losses to pan-India levels of 12-15% and ACS-ARR gap to zero by 2024-25 by improving the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments excluding Private Sector DISCOMs.

DISCOMs/ Power Departments would be able to access funds under the Scheme for Pre-paid Smart Metering, System Metering and Distribution infrastructure works for loss reduction and modernisation. The financial assistance for Distribution infrastructure works under the Scheme would be subject to meeting pre-qualifying criteria as well as upon achievement of basic minimum benchmarks by the DISCOM and evaluated on the basis of Action plans.

The Scheme provides for annual appraisal of the DISCOM performance against predefined and agreed upon performance trajectories including AT&C losses, ACS-ARR gaps, infrastructure upgrade performance, consumer services, hours of supply, corporate governance, etc. DISCOMs have to score a minimum of 60% of marks and clear a minimum bar in respect to certain parameters to be able to be eligible for funding against the Scheme in that year.

The Scheme has a major focus on improving electricity supply for the farmers through separation of agriculture feeders and for providing daytime electricity to them by convergence with Pradhan Mantri KisanUrja Suraksha Evam Utthan Mahabhiyan (PM-KUSUM) Scheme for solarisation of agriculture feeders.

Your company is assisting various State Govt. in preparation of Action plan and Draft Project report.

RISKS AND CONCERNS

The Company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

DISCUSSION ON OPERATIONAL PERFORMANCE

During the financial year under review, the total income of the Company has decreased from ₹11,867 Lakh to ₹7,446 Lakh showing decrease of 37% from the previous year. The main reason for decrease in income is transfer/award of Independent Transmission Projects to successful developers. During the FY 2020-21 only 2 (Two) ITPs were transferred as compared to 5(Five) transferred/awarded in FY 2019-20. However, the income from consultancy assignments (other than from fee on transfer of ITPs and manpower charges) increased from ₹2,440 Lakh to ₹3088 Lakh.

During the year, the Company has earned other income of ₹660.40 Lakh as compared to ₹664.00 lakh of previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT

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

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

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

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

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

During the FY 2020-21, 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 2020-21, the budget of Rs. 1.04 Crore was approved. Since NIL amount was spent against the budget for FY 2020-21, entire amount of Rs.1.04 Crore was deposited in a special account within a period of thirty days from the end of the financial year.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Sd/-
(Ravinder Singh Dhillon)
Chairman
DIN: 00278074

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

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

a) COMPOSITION OF THE BOARD

As on March 31, 2021 the Company's Board comprised of three (3) Directors. All the members of the Board are Non-Executive Directors. The composition of Board of Directors as on 31st March, 2021 was as follows:

Sl. No.	Name	Category	Designation
(i)	Shri R. S. Dhillon	Non-Executive Director	Chairman
(ii)	Shri P.K. Singh	Non-Executive Director	Director
(iii)	Smt. Parminder Chopra	Non-Executive Director	Director
(iv)	Shri Rajiv Ranjan Jha*	Non-Executive Director	Director

***Appointed as Director w.e.f. 12.11.2021**

b) NUMBER OF BOARD MEETINGS

Eight (8) Board meetings were held during the financial year 2020-21, as against the requirement of minimum four meetings in a year. The details of Board meetings are given below:

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	26 th May, 2020	04	04
2	16 th June, 2020	03	03
3	28 th July, 2020	03	03
4	10 th August, 2020	03	03
5	11 th December, 2020	03	03
6	12 th January, 2021	03	03

7	05 th March, 2021	03	03
8	31 st March, 2021	03	03

The maximum time gap between two meetings was not more than one hundred and twenty days. The Company adopts the system of circulating Agenda and Notes to the Directors well in advance.

The names and designation of directors on the board, along with details of Directorships and Membership (including Chairmanship) of committees held by them in other companies and the attendance at the last Annual General Meeting held on 31st December, 2021 are as given below:-

Name & Designation	No. of other Directorships as on March 31, 2021	Membership in the committees of other companies as on March 31, 2021		Attendance at the last AGM held on 31 st December, 2020
		Member	Chairman	
Shri R. S. Dhillon Chairman	02	01	01	Present
Shri P. K. Singh Director	09	01	-	Present
Smt. Parminder Chopra, Director	08	NIL	NIL	Present

c) INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

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

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

d) COMPLIANCE WITH APPLICABLE LAWS

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

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, 2021 the Board had following Committee:

Corporate Social Responsibility Committee of Directors

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

As on 31st March, 2021 the Committee comprised of the following members:

1. Shri R. S. Dhillon : Member & Chairman
2. Shri P. K. Singh : Member
3. Smt. Parminder Chopra : Member

The Committee met two (2) times during the FY 2019-20, on the following dates:

Sl. No.	Date of Meeting	No. of Member present
S. No	Date of Meeting	Committee Strength
1	26 th May, 2020	03
2	31 th March, 2021	02

Audit Committee of Directors

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

4. GENERAL BODY MEETINGS

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

No.	AGM	Day, Date & Time	Location	Special Resolutions Passed
1	10 th	Friday 7 th September, 2018 & 04.30 P.M.	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-
2	11 th	Tuesday 24 th September, 2019 & 11:00 AM	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	1
3	12 th	Thursday 31 st December, 2020 & 03:50 P.M	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001.	-

5. SUBSIDIARY COMPANIES

As on date, the Company has following Thirteen (13) wholly owned subsidiaries:

- Tanda Transmission Company Limited (TTCL)
- Bijawar-Vidarbha Transmission Limited (BVTL)
- Shongtong Karcham-Wangtoo Transmission Limited (SKWTL)
- Koppal - Narendra Transmission Limited (KNLT)
- Karur Transmission Limited (KTL)

- Anantpuram Kurnool Transmission Limited (AKTL)
- Bhadla-Sikar Transmission Limited (BSTL)
- Khetri-Narela Transmission Limited (KHNTL)
- Nangalbibra-Bongaigaon Transmission Limited (NBTL)
- Kishtwar Transmission Limited (KWTL)
- Khavda-Bhuj Transmission Limited (KBTL)
- Mohanlalganj Transmission Limited (MBTL)

6. AUDITOR'S QUALIFICATION

M/s. KPMC & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India.

The Statutory Auditors have audited the accounts of the Company for the FY 2020-21 and have given their report without any qualification, reservation, adverse remark or disclaimer.

7. MEANS OF COMMUNICATION

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

8. TRAINING OF BOARD MEMBERS

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

9. DISCLOSURES

- (i) Annual Financial Statements for the Financial Year 2021-21 are in conformity with applicable accounting standards.
- (ii) The Company has not entered into any transaction of material nature with its promoters, the directors or the management, their relatives, that may have any potential conflict with the interest of the Company.
- (iii) Neither any penalty nor any stricture has been imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government, during the last three years.
- (iv) The Company follows the whistle blower policy of its parent company i.e. Power Finance Corporation Limited
- (v) The Company has complied with all the mandatory requirements of DPE guidelines and has filed report on Corporate Governance in specified format to MoP and DPE within stipulated time.
- (vi) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

10. 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/-
(Ravinder Singh Dhillon)
Chairman
DIN: 00278074

Place: New Delhi
Date: 23.03.2022

INDEPENDENT AUDITOR'S REPORT

To the Members of

PFC Consulting Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of "PFC Consulting Limited" ("PFCCL/the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and loss (including Other Comprehensive Income), statement of change in equity and Cash Flows statement for the year then ended, and Notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and profit (including Other Comprehensive Income), statement of changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters:

- **Attention is invited to Note No. 45** where suspected irregularities in some of the transactions of PFCCL related to business promotions, official hospitality, and related allocation of expenses to subsidiaries/ fellow subsidiary companies are highlighted. Previous year statutory auditor of PFCCL vide its letter dated 25.06.2020 reported the similar matter to Board of Directors of PFCCL and MCA. Based on this letter of Statutory Auditor of PFCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way.
- **Attention is invited to Note No. 43** on balance confirmation statement which contains the details of confirmation not received on the following standalone financial statement line items.
The balance confirmation of Loans (current and non-current), Trade receivables, Other current assets, Trade payables, Other financial liabilities are subject to confirmation and reconciliation.



- Attention is invited to Note No. 15 on loans to associates (ITPs) including accrued interest.

The loan to the following associates (ITPs) held for sale including accrued interest are subject to confirmation and reconciliation due to non-completion of its statutory audit.

(Rs. In Lakhs) .

Particular	As at 31 st March, 2021	As at 31 st March, 2020
Karur Transmission Limited	307.77	183.90

- Attention is invited to Note No. 40 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 where Company has not obtained MSME status confirmation of its vendors as of March 31, 2021.

Our opinion is not qualified in respect of the above matters.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and



estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls with reference to standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

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



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, standalone change in equity and the standalone Cash Flow statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 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.

3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2021. Refer to our separate Report in Annexure "C".

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



CA. Sanjay Mehra
(Partner)
(Membership No. 075488)
Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAALB1958

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

Annexure referred to in Paragraph "1" under our 'Report on Other Legal Regulatory Requirements' section of our report of even date to the members of PFC Consulting Limited on the Standalone Financial Statements for the year ended 31st March 2021.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a program of verification of Property, Plant and Equipment to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no serious discrepancy has been noticed on such physical verification.
- (c) According to information and explanations given to us, company does not own any immovable property.
- (ii) The company does not own any stock of Inventory during the Financial year 2020-21. Accordingly, provision of clauses 3 (ii) of the order is not applicable to the Company.
- (iii) According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans advanced to subsidiary companies and investments made in subsidiary companies. The company has not given guarantee or provided any security to any party covered under section 185 and under section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable
- (vi) As per the provision of sub section (1) of section 148 of the Companies Act, 2013 maintenance of cost records prescribed by the Central Government is not applicable to the company, therefore the reporting under the clause is not applicable.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
 - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, employees state insurance (ESI), Income-tax, Goods and Service Tax, duty of customs, cess and other statutory dues and other material statutory dues as applicable with



the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no disputed statutory dues payable in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, and duty of excise which are outstanding as at 31st March 2021, except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount Relates	Forum where dispute is pending	Remarks
Income Tax Act 1961	Tax Dues	2,65,73,019	FY 2016-17 (AY 2017-18)	Commissioner of Income Tax (Appeals)	Refer note 38 (c)(ii) of the financials

- (viii) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution as at the Balance Sheet date. Further, there are no loan taken from any bank or debenture holder and therefore the question of default thereon does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) 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. However, in the preceding financial year i.e., FY 2019-20, based on the opinion of the previous auditor, fraud/suspected fraud has been committed by the officers and employees of the company. The same has been reported to the Board of Directors of the Company and to the Central Government under section 143(12) of the Companies Act, 2013. Also, attention is drawn to note no. 45 of the financial statements for details.
- (xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.
- (xii) The Company is not a Nidhi Company; accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.



- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

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



CA. Sanjay Mehra
(Partner)
(Membership No. 075488)



Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAALB1958

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

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

We have audited the internal financial controls over financial reporting of **PFC Consulting Limited** ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

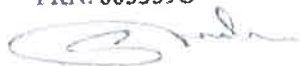
Opinion

In our opinion, to the best of our information and according to the explanations given to us, The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 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".

Without qualifying our opinion, according to the information and explanations given to us and based on our audit, we draw attention to the following:

- a) Matters described in note 45 of the financial statement i.e., matters relating to suspected irregularities in some transactions. Previous year's statutory auditor of PFCCL vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCL and MCA. Based on this letter of previous year statutory auditor of PFCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way.
- b) Process of obtaining balance confirmation and Reconciliations with the parties needs improvement.

for K P M C & Associates
Chartered Accountants
FRN: 005359C



CA Sanjay Mehra
(Partner)
(Membership No. 075488
Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAA1958



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

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts for the year 2020-21 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

S No.	Directions	Reply
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has a system in place to process all the accounting transactions through IT system. Based on the test check verification carried out by us during the course of our audit and based on the information and explanation given to us we have not come across any instance having material implications on the integrity of the accounts.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	There was no restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan
III	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on our audit procedures carried out and as per the information and explanations given to us. No funds received/receivable for specific schemes from central/ state agencies during the year.

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




CA. Sanjay Mehra
(Partner)
(Membership No. 075488)
Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAALB1958

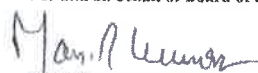
PEC CONSULTING LIMITED
(CIN: U74400DL2008GC01175838)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Balance Sheet as at 31 March 2021

(Rs. in lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	108.81	161.53
(b) Right of use assets	3	63.40	317.01
(c) Other intangible assets	4	0.14	0.30
(d) Financial assets			
(i) Loans	5	68.20	205.39
(ii) Other financial assets	6	1,538.32	1,442.87
(e) Deferred tax assets (net)	7	312.29	257.95
(f) Other non-current assets	8	-	57.36
Total non-current assets		2,091.16	2,442.41
(2) Current assets			
(a) Financial assets			
(i) Investments	9	-	-
(ii) Trade receivables	10	2,713.50	2,658.64
(iii) Cash and cash equivalents	11	3,103.63	498.08
(iv) Bank balances other than cash and cash equivalents	12	665.92	903.54
(v) Loans	5	3.09	48.67
(vi) Other financial assets	6	997.10	769.84
(b) Current tax assets (net)	13	1,308.47	978.77
(c) Other current assets	14	352.54	162.67
Total current assets		9,174.25	6,020.21
(3) Assets classified as held for sale	15	1,934.20	789.60
Total assets classified as held for sale		1,934.20	789.60
Total assets		13,199.61	9,252.22
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	5.22	5.22
(b) Other equity	17	8,722.42	6,012.56
Total equity		8,727.64	6,017.78
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	-	72.57
Total non-current liabilities		-	72.57
(B) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19		
(A) total outstanding dues of creditors other than micro enterprises and small enterprises		21.21	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,018.68	708.59
(ii) Lease liabilities	20	72.57	269.33
(iii) Other financial liabilities	21	2,640.53	1,740.29
(b) Other current liabilities	22	227.20	149.58
(c) Provisions	23	450.48	294.08
Liabilities directly associated with assets classified as held for sale	15	41.30	-
Total current liabilities		4,471.97	3,161.87
Total equity and liabilities		13,199.61	9,252.22

See accompanying notes from S.No. 1 to 49 to the standalone financial statements

For and on behalf of Board of Directors


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


(Munoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M. No. 075488

Place: - New Delhi
Date: - 29 Nov 2021

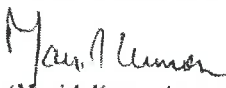


PFC CONSULTING LIMITED
(CTN: U74140DI 2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2021

(Rs. in lakh)				
Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020	
Income				
I. Revenue from operations	24	6,785.26	11,142.44	
II. Other income	25	660.40	722.47	
III. Total income (I+II)		7,445.66	11,864.91	
IV. Expenses				
(a) Consultancy services expense	26	1,383.85	1,359.18	
(b) Employee benefits expense	27	1,257.93	1,275.01	
(c) Finance Cost	28	23.90	54.45	
(d) Depreciation and amortisation expense	29	342.27	355.13	
(e) Corporate social responsibility expense	42	134.39	-	
(f) Other expenses	30	631.69	961.70	
Total expenses (IV)		3,774.03	4,005.47	
V. Profit before tax (III-IV)		3,671.63	7,859.44	
VI. Tax expenses:	33			
Current tax		1,009.31	1,840.50	
Income tax adjustment for earlier years		6.80	5.53	
Deferred tax		(54.34)	188.31	
Total tax expenses (VI)		961.77	2,034.34	
VII. Profit for the year (V-VI)		2,709.86	5,825.10	
VIII. Other comprehensive income				
IX. Total comprehensive income for the year (VII+VIII)		2,709.86	5,825.10	
X. Earnings per equity share in Rs. : (face value Rs. 10/- each)				
Basic	31	5,186.73	11,149.37	
Diluted		5,186.73	11,149.37	


See accompanying notes from S.No. 1 to 49 to the standalone financial statements

For and on behalf of Board of Directors


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


(Manoj Kumar Rana)
Chief Executive Officer


(Parulinder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M. No. 075488

Place: - New Delhi
Date: -29 Nov 2021



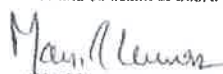


PEC CONSULTING LIMITED
(CIN: U71100DL2008GO1175558)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Cash Flow Statement for the year ended 31 March 2021

		(Rs. in lakhs)	
	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.	Cash flow from operating activities:		
	Profit before tax	3,671.63	7,859.34
	Adjustments for:		
	Depreciation and amortisation	342.27	385.13
	Interest income	(644.24)	(626.25)
	Provision for doubtful debts	(104.29)	42.28
	Provision for diminution in value of investment	-	1.00
	Unwinding of discount on employees loans	(15.99)	(40.54)
	Unwinding of discount on security deposit	(5.54)	(6.53)
	Loss on Property, Plant and Equipments written off	1.12	0.59
	Loss on sale of property, plant and equipment	1.66	0.39
	Provision written back for expenses	(17.89)	(1.36)
	Provision written back for loss on shortage of PPE	(0.42)	-
	Provision written back for doubtful debts and advances	-	(28.98)
	Operating profit before working capital changes	3,466.91	7,550.09
	Adjustments for changes in working capital:		
	- Increase/(decrease) in trade payables	331.30	(53.54)
	- Increase/(decrease) other non-current financial liabilities	(72.57)	(257.00)
	- Increase/(decrease) in current provisions	156.40	35.99
	- Increase/(decrease) in other current liabilities	95.51	(239.29)
	- Increase/(decrease) in financial liabilities	511.45	(267.65)
	- (Increase)/decrease in trade receivables	(189.15)	334.93
	- (Increase)/decrease in non-current loans	137.19	(40.39)
	- (Increase)/decrease in current loans	45.58	17.11
	- (Increase)/decrease in other current financial Assets	(109.98)	121.00
	- (Increase)/decrease in other current assets	(185.78)	0.41
	- (Increase)/decrease in other non-current assets	78.88	111.44
	- (Increase)/decrease in assets and liabilities held for sale	(1,020.47)	(426.37)
	Cash generated from / (used in) operating activities	3,245.27	6,886.73
	Income taxes paid (net)	(1,345.81)	(2,411.31)
	Net cash generated from / (used in) operating activities	1,899.46	4,475.42
B.	Cash flow from investing activities:		
	Addition in property, plant and equipment	(889.08)	(136.09)
	Increase/(decrease) other non-current financial Assets	(95.45)	(960.89)
	Increase/(decrease) other Bank Balances	237.62	1,713.48
	Proceeds from sale of property plant and equipment	42.32	83.96
	Interest received	414.14	908.49
	Net cash generated from/ (used in) Investing activities	518.15	1,608.95
C.	Cash flow from financing activities:		
	Dividend paid	-	(7,500.00)
	Corporate dividend tax paid	-	(1,541.65)
	Funds from PFC for UT privatisation	187.94	-
	Net cash generated from/ (used in) financing activities	187.94	(9,041.65)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,605.55	(2,957.28)
	Cash and cash equivalents at the beginning of the year	498.08	3,455.36
	Cash and cash equivalents at the end of the year (refer note 11)	3,103.63	498.08
	Cash and cash equivalents comprises:		
	Balance with banks		
	- in current accounts	2.49	1.99
	- in deposit accounts with original maturity upto 3 months	3,101.14	496.09
		3,103.63	498.08

See accompanying notes from S No. 1 to 49 to the standalone financial statements

For and on behalf of Board of Directors


(Manish Kumar Agrawal)
Company Secretary
M No. F5048


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M No. 075488

Place : New Delhi
Date : 29 Nov 2021



PFC CONSULTING LIMITED
(CIN: U74140DL2008GO1175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Standalone Statement of changes in equity for the year ended 31 March 2021

A. Equity share capital

(Rs. in lakh)

Particulars	Amount
Balance as at 1 April 2019	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2020	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2021	5.22

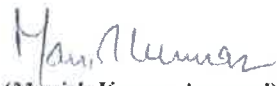
B. Other Equity

(Rs. in lakh)

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained earnings	
Balance as at 1 April 2019	9.78	9,159.44	9,169.22
Adjustment for adoption of Ind AS 116	-	59.89	59.89
Total comprehensive income for the period	-	5,825.10	5,825.10
Payment of interim dividend for 2019-20	-	(7,500.00)	(7,500.00)
Tax on interim dividend for 2019-20	-	(1,541.65)	(1,541.65)
Balance as at 31 March 2020	9.78	6,002.78	6,012.56
Total comprehensive income for the period	-	2,709.86	2,709.86
Balance as at 31 March 2021	9.78	8,712.64	8,722.42

See accompanying notes from S.No. 1 to 49 to the standalone financial statements

For and on behalf of Board of Directors


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


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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



(Sanjay Mehra)
Partner
M. No. 075488



Place: - New Delhi
Date: - 29 Nov 2021





PFC CONSULTING LIMITED

(CIN: U74140DL2008GOI175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Standalone Financial Statements for the year ending 31 March 2021

I Corporate Information and Significant Accounting Policies

1.1 Corporate Information

PFC Consulting Limited ("the Company" or "PFCCL") is a public company incorporated under the Companies Act 1956 on 25th March 2008, domiciled in India and limited by shares (CIN: U74140DL2008GOI175858). The registered office of the Company is located at First Floor, Ujjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 110001 and the corporate office of the company is located at 9th Floor, Statesman House, Barakhamba Lane, Connaught Place, New Delhi - 110001.

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

1.2 Statement of Compliance and basis of preparation and presentation

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

ii) These standalone financial statements were approved by Board of Directors (BoD) on 29th Nov 2021

iii) Impact assessment of COVID-19 Global Pandemic outbreak

Currently, there is no major impact of COVID-19 on the Standalone Financial Statements of the Company. However, the extent to which impact this pandemic will impact the Company's financial statements continue to be dependent on future developments relating to duration & severity of COVID-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector. The Company shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its financial statements.

1.3 Significant Accounting Policies

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

i) Basis of Preparation and Measurement

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Amount in the financial statements are presented in Rs. Lakhs (upto two decimals) except for per share data and as otherwise stated.

ii) Use of Estimates

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

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

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

iii) Revenue recognition

- (i) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the company.
- (ii) Income from other consulting services rendered is recognised based on the terms of agreements/ arrangements with reference to the stage of completion of contract at the reporting date.
- (iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Interest income, on the financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iv) Interest income, on the financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.
- (v) The income from sale of Request for qualification (RFQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- (vi) Income from short /Medium term bidding of power, Pilot scheme and Coal flexibility scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- (vii) Other income and expenses are accounted on accrual basis, in accordance with the terms of the respective contract.
- (viii) Prepaid expenses are not recognized if prepaid amount is less than Rs. one lac.

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

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.
- ii. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years instead of 5 years as per Schedule II to the Companies Act, 2013. Residual value is estimated as 5% of the original cost of PPE. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.
- iii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.
- iv. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- v. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under property, plant and equipment. These Leasehold Improvements are amortised on straight-line method basis over the period of lease or their useful lives whichever is lower.
- vi. Items of PPE costing up to Rs. 5000/- each are fully depreciated, in the year of purchase.

v) Intangible Assets

- i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over useful life of the assets.
- ii. Estimated useful life of the intangible assets with finite useful lives has been estimated by the Company as 36 months.
- iii. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

vi) Investment in group companies

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

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

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

vii) Cash and cash equivalents

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

viii) Income Taxes

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

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

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

ix) Employee Benefits

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

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

(ii) Short Term Employee Benefits

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

(iii) Loan to employees at concessional rates

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

PFC CONSULTING LIMITED
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Notes to the Standalone Financial Statements for the year ending 31 March 2021

x) Material Prior Period Errors

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

xi) Provisions and contingent liabilities

- (i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

xii) Leases

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

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

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

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

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

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

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

xiii) Business Combination under Common Control

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

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

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

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

PFC CONSULTING LIMITED
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Notes to the Standalone Financial Statements for the year ending 31 March 2021

iii) De-recognition of financial assets

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

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

2 Financial liabilities

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

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

ii) De-recognition of financial liabilities

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

xv) Earnings per share

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

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

xvi) Dividends

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

xvii) Foreign Currency Transactions and Translations

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

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

PFC CONSULTING LIMITED

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

2. Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Leasehold Improvements	Total
Gross Block					
Balance as at 1 April 2019	138.67	115.57	76.13	165.65	496.03
Additions	11.14	76.18	48.76	-	136.09
Deductions/Adjustment	20.26	73.14	26.85	-	120.24
As at 31 March 2020	129.56	118.62	98.04	165.65	511.88
Additions	21.15	21.42	38.33	-	80.90
Deductions/Adjustment	29.31	15.14	30.58	-	75.02
As at 31 March 2021	121.40	124.90	105.80	165.65	517.75
Accumulated Depreciation					
Balance as at 1 April 2019	108.53	54.68	43.55	80.94	287.70
Charge for the year	18.88	17.15	25.78	36.14	97.95
Deductions/Adjustment	16.65	8.67	9.99	(0.00)	35.30
As at 31 March 2020	110.76	63.17	59.34	117.08	350.35
Charge for the year	11.92	15.91	24.55	36.14	88.51
Deductions/Adjustment	18.88	1.95	9.09	-	29.92
As at 31 March 2021	103.79	77.13	74.80	153.22	408.93
Net Block					
As at 31 March 2020	18.80	55.45	38.70	48.57	161.53
As at 31 March 2021	17.61	47.77	31.00	12.43	108.81

Notes:

- In view of the nature of assets held by the company and the rate of depreciation charged thereon, no provision for impairment of Property, Plant and Equipment is required.
- During the year, Property, Plant and Equipment (PPE) of Rs.0.42 lakh, as appearing in Note 8 as Shortage in PPE pending reconciliation, has been reinstated as the same was traced during the course of physical verification and accordingly value of Note 8 has been adjusted.

3. Right of Use

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease - Office Premises		
Opening Balance	317.01	-
Additions	-	570.62
Less: Amortisation for the year	253.61	253.61
Closing Balance	63.40	317.01

- Refer note 36 - Leases

PFC CONSULTING LIMITED

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

4. Other Intangible assets

(Rs. in lakh)	
Particulars	Amount
<u>Computer software</u>	
Gross Block	
Balance as at 1 April 2019	32.32
Additions	-
Deductions/Adjustment	0.00
As at 31 March 2020	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2021	32.32
Amortisation	
As at 1 April 2019	28.45
Charge for the year	3.57
Deductions/Adjustment	(0.00)
As at 31 March 2020	32.02
Charge for the year	0.16
Deductions/Adjustment	-
As at 31 March 2021	32.18
Net Block	
As at 31 March 2020	0.30
As at 31 March 2021	0.14

Notes:

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

PFC CONSULTING LIMITED

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

5. Loans

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
a) Other Loans (Unsecured, considered good)		
(i) Security deposit (Rent)	68.20	62.67
(ii) Loans to employees (refer Note v)	-	142.72
Total	68.20	205.39
Current		
a) Loans to related parties (Unsecured, credit impaired)		
Loans to associates (ITPs) including accrued interest*	37.64	37.32
Less : Allowances for bad and doubtful loans	(37.55)	(37.20)
Total (a)	0.09	0.12
b) Other Loans (Unsecured, considered good)		
(i) Security deposit (Rent)	3.00	6.10
(ii) Loans to employees (refer Note v)	-	42.45
Total (b)	3.00	48.55
Total (a+b)	3.09	48.67

* 100% provision of expected credit loss amounting to Rs. 37.55 lakhs (previous year Rs. 37.20 lakhs) is created against amount recoverable from associate (ITP) i.e. Bijawar-Vidarbha Transmission Limited. Loans to two other associate companies under striking off i.e. Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited has already been written off in the books with due approval of board.

Notes-

- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 35 - "Financial instruments".
- The Company has categorised all loans at amortised cost only in accordance with the requirements of Ind AS 109 "Financial Instruments".
- Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.

iv) Loans in the case of ITP's:

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

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans -- Considered Good	0.09	0.12
Loans -- Considered doubtful	37.55	37.20
Total	37.64	37.32

The ITP's are generally sold to bidders between a period of 12 to 18 months (refer note 15). However, sometimes the ITP's are denotified by the Ministry of Power and the loss is absorbed by the Company. During the last five years, 6 ITP's have been denotified resulting in a loss of Rs. 536.42 lakhs (previous year Rs. 536.39 lakhs).

- During the year all loans to employees (Multi purpose and Festival Advance) have been taken over by the Holding Company PFC, as the same will be dealt by PFC (in line with other loans like HBA etc). Therefore there are no outstanding employee related loans as on 31st March 2021 in the books of PFCCL.

PFC CONSULTING LIMITED
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Notes to the Standalone Financial Statements for the year ending 31 March 2021

6. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
(a) Other bank balances		
Deposits with maturity of more than 12 months including accrued interest*	1,538.32	1,442.87
Total	1,538.32	1,442.87
* includes Rs. 230.97 lakh (as at 31 March 2020 Rs. 271.70 lakh) held as margin money against the bank guarantee issued to customer.		
Current		
(a) Advances (Unsecured, considered good)		
Advances to supplier/contractors	35.17	49.36
Advances to employees	2.27	4.54
Recoverable from Government Authorities	10.10	3.58
Total (a)	47.54	57.48
(b) Advances (Unsecured, credit impaired)		
Advances to supplier/contractors	1.64	0.36
Impairment allowance for doubtful advances	(1.64)	(0.36)
Total (b)	-	-
(c) Others (Unsecured, considered good)		
Amount receivable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest **	949.56	712.36
Total (c)	949.56	712.36
Total (a+b+c)	997.10	769.84

** Amount receivable of Rs. 949.56 lakhs (as at 31 March 2020 Rs. 712.36 lakh) is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. Prior to financial year 2018-19, these receivables were paid by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19, this amount was paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has been exhausted in some UMPPs. During the year interest amounting to Rs. 104.80 lakhs (as at 31st March 2020 Rs.83.57 lakh) has been charged on these receivables. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the receivables from UMPPs and the provision for expected credit loss is not required.

- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 35 - "Financial instruments".

PFC CONSULTING LIMITED

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Notes to the Standalone Financial Statements for the year ending 31 March 2021

7. Deferred Tax Assets (net)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Deferred tax assets in relation to:		
Property, plant and equipment and other intangible assets	67.47	60.41
Provisions for bad and doubtful trade receivables	197.49	171.56
Provision for impairment in the value of investments	1.76	1.76
Provision for employee benefits	42.79	31.31
Provision for expenses	0.33	-
Lease expense impact under Ind AS 116	2.44	-
Deferred tax assets	312.29	265.04
Deferred tax liability in relation to:		
Lease expense impact under Ind AS 116	-	3.53
Impact of prior period items	-	3.55
Deferred tax liability	-	7.08
Deferred tax assets (net)	312.29	257.95

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

(Rs. in lakh)

Particulars	As at 1 April 2020	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2021
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2020-21				
Property, plant and equipment and other intangible assets	60.41	7.06	-	67.47
Provisions for bad and doubtful trade receivables	171.56	25.93	-	197.49
Provision for impairment in the value of investments	1.76	-	-	1.76
Lease expense impact under Ind AS 116	(3.53)	5.98	-	2.44
Provision for employee benefits	31.31	11.49	-	42.79
Provision for expenses	-	0.33	-	0.33
Prior period items	(3.55)	3.55	-	-
Total	257.95	54.33	-	312.29

8. Other non- current assets

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Unamortised employee cost	-	56.91
Unamortised security deposit (Rent)	-	0.45
Shortage in property, plant and equipment pending reconciliation	0.57	1.00
Less : Provision for loss of shortage in property, plant and equipment	(0.57)	(1.00)
Total	-	57.36

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(CIN: U74140DL2008GO1175858)

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9. Investments

				(Rs. in lakh)	
Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2021	As at 31 March 2020	
Unquoted Equity Instruments - Current (fully paid up-unless otherwise stated, at cost)					
Associates under striking off					
Tanda Transmission Company Limited	50,000 shares of Rs. 10 each (31st March 2020, 50000 shares)	100%	5.00	5.00	
Less : Impairment Allowance			(5.00)	(5.00)	
Shongtong Karcham-Wangtoo Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00	
Less : Impairment Allowance			(1.00)	(1.00)	
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00	
Less : Impairment Allowance			(1.00)	(1.00)	
Sub total (a)					
Total investment carrying value					
Aggregate amount of unquoted investments			7.00	7.00	
Aggregate amount of impairment in the value of unquoted investments			(7.00)	(7.00)	

Notes:

- Two associates namely Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been de-notified by Ministry of Power (MoP) and these companies are required to be wound up. Bijawar-Vidarbha Transmission Limited has been recommended for closure/de-notification by National Committee on Transmission (NCT). Therefore, in the previous year, the Company has created provision for the expenditure incurred on these companies to the extent not considered recoverable and realisable value of investment in equity shares were considered as Rs. Nil.
- The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company has incorporated wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).
- The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.
- In compliance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and to align with uniform accounting practices of the holding company, during the previous financial year the company has reclassified few of the ITP companies being associate companies as assets held for sale (refer note-15) since these companies are held for sale in near future.

13. Current tax assets (Net)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Advance income tax / tax deducted at source (TDS)	2,317.78	2,819.27
Less: Provision for Income Tax	(1,009.31)	(1,840.50)
Total	1,308.47	978.77

Notes:

- 13.1 Advance income tax/TDS include income tax refund claimed by company Rs 876.49 lakhs for years before financial year 2020-21, which has been unpaid by department due to mismatch in tax credit data/technical reasons and therefore creating demands for some financial years which has subsequently adjusted by refunds. However these mismatch in tax credit data have now been corrected or explained and in view of the company all the refunds are legally tenable for which regular follow ups are being done with the department and therefore no provision for impairment is required in this regard.

14. Other current assets

(Rs. in lakh)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Secured, considered good		
(a) Advance to contractors/suppliers (secured against Bank Guarantees)	142.95	142.95
Unsecured, considered good		
(a) Advance to contractors/suppliers/others	0.74	0.42
(b) Unamortised employee cost	-	14.56
(c) Unamortised Security Deposit (Rent)	0.45	4.74
(d) Expenditure for UT Corporatisation/Privatisation (Note 14.1)	208.40	-
Total	352.54	162.67

- 14.1 In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories has to be Corporatised/privatised. MoP through PFCL has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFCL has appointed PFCCCL as the nodal agency for this work. The company during the FY 2020-21 has incurred expenditure on this project for which funding has been done by PFCL. The expenditure on this project alongwith interest is appearing in above Note 14 and amount funded by PFC alongwith interest is appearing in Note 21 other financial liabilities. Interest rate on such funded amount is 9.5% p.a. As per MoP letter dated 8.06.2020 the provision for funding of consultancy/transaction fees is being made in the new reforms linked scheme and until the same is approved under the scheme, recovery of the same can be made from the successful bidder. Further MoP vide OM dated 20.07.2021 has issued a Revamped Reforms Based and Results Linked Distribution Sector Scheme and the consultancy support provided by MoP to UTs will also be funded out of this component. The company is taking up the matter with MoP for recovery of its outstanding dues.

15. Disposal Group

(Rs. in lakh)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Assets classified as held for sale		
(a) Investment (refer note - 15.5)	6.00	3.00
(b) Loans to associates (ITPs) including accrued interest (refer note- 15.6)	1,902.72	736.12
(c) Amount receivable from ITP under Incorporation (Note 15.4)	25.48	50.48
Total (A)	1,934.20	789.60
Liabilities directly associated with assets classified as held for sale		
Amount payable to ITP under Incorporation (Note 15.4)	(41.30)	-
Total (B)	(41.30)	-
Net Disposal group (A-B)	1,892.90	789.60

Notes:

- 15.1 These entities are incorporated as per the guidelines of Ministry of Power (MoP), through bid process subscribed by ministry of power with a view to sell in near future. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with related assets and liabilities) has been considered as held for sale.
- 15.2 The above investment are managed as per the mandate from Government of India (GoI) and the company doesnot have practical ability to direct the relevant activities of these companies unilaterally. The Company therefore considers its investment in respective companies as Associates having significant influence despite the company holding 100% of their paid-up equity share capital.
- 15.3 The investments in equity shares of associates which are not categorised as assets held for sale are shown under Note 9 "Investments".
- 15.4 During the financial year 2020-21 the company has incurred Rs. 25.49 lakhs (31 March 2020 Rs. 50.48 lakhs) on the behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. Further the company has received Rs. 41.30 lakh (31 March 2020 Rs. Nil) towards sale of RFP documents on the behalf of the these ITPs under incorporation. These ITP companies have been incorporated after 31 March 2021 and the amount receivable and payable have been transferred to respective ITP.

15.5 Equity Investments Held for Sale

(Rs. in lakh)				
Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2021	As at 31 March 2020
Vapi II-North Lakhimpur Transmission Limited	Nil shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	-	1.00
Koppal-Narendra Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00
Karur Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00
Sikar-II Ahgarh Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Khetri-Narela Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Ananthpuram Kunool Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Bhadla Sikar Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Total			6.00	3.00

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

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Vapi II-North Lakhimpur Transmission Limited	-	371.11
Koppal-Narendra Transmission Limited	426.58	181.11
Karur Transmission Limited	307.77	183.90
Sikar-II Ahgarh Transmission Limited	435.55	-
Khetri-Narela Transmission Limited	268.17	-
Ananthpuram Kunool Transmission Limited	71.47	-
Bhadla Sikar Transmission Limited	393.17	-
	1,902.72	736.12

Notes:

- Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.
- The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company incorporates wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).
- Two associates namely Vapi II-North Lakhimpur Transmission Limited and Bikaner-II Bhiwadi Transeo Limited has been sold to the successful bidder during the current Financial Year 2020-21.
- Company spent amount on behalf of the ITPs and same is shown as loan to ITPs. As per the requirement of IND AS 105, loan amount is to be shown under as "Assets held for Sale".

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16 Equity share capital

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Authorised share capital: 11,00,000 Equity shares of Rs. 10 each (as at 31 March 2020 11,00,000 Equity shares of Rs. 10 each)	110.00	110.00
Issued, subscribed and fully paid up shares : 52,246 equity shares of Rs. 10 each (as at 31 March 2020 52,246 Equity shares of Rs. 10 each)	5.22	5.22
Total	5.22	5.22

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

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

Particulars	(Rs. in lakh)			
	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance	52,246	5.22	52,246	5.22
Issued during the year	-	-	-	-
Closing balance	52,246	5.22	52,246	5.22

c) Shares held by holding company

Name of shareholder	(Rs. in lakh)			
	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	Amount	No. of shares held	Amount
Power Finance Corporation Limited, the Holding Company *	52,246	5.22	52,246	5.22

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Power Finance Corporation Limited, the Holding Company *	52,246	100%	52,246	100%

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

e) Aggregate number and class of shares allotted as fully paid up without payment being received in cash:

(i) Current year - NIL

(ii) During the financial year 2018-19, pursuant to amalgamation of PFC Capital Advisory Limited (PFCCAS) with the Company, 2246 shares were issued to the shareholder of PFCCAS.

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17. Other equity

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve and Surplus		
(a) Capital Reserve (Note i)	9.78	9.78
(b) Retained earnings (Note ii and 17.1)	8,712.64	6,002.79
Total	8,722.41	6,012.56

Notes:

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

ii Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. This will be utilised for the purposes as per the provisions of the Companies Act 2013.

(Rs. in lakh)

17.1. Retained Earnings

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	6,002.79	9,159.44
Adjustment for adoption of Ind AS 116*	-	59.89
Profit for the year	2,709.85	5,825.11
Payment of interim dividends	-	(7,500.00)
Tax on interim dividends	-	(1,541.65)
Balance at the end of the period	8,712.64	6,002.79

* During the financial year 2019-20, Rent Equalisation balance as per Ind AS 17 of Rs. 59.89 lakh as on 31-Mar-19 has been written off and charged to retained earnings due to adoption of Ind AS 116 w.e.f. 1-Apr-19.

18. Financial liabilities

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability - Office Premises**	-	72.57
Total	-	72.57

** Refer note 36- Leases.

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19 Trade payables

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current		
Total outstanding dues of micro enterprises and small enterprises: and	21.21	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,018.68	708.59
Total	1,039.90	708.59

Refer note no. 40

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20 Lease liability

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current		
(a) Lease liability - Office Premises*	72.57	269.33
Total	72.57	269.33

* Refer note 36- Leases.

21 Other financial liabilities

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current		
(a) Security deposit	35.07	1.42
(b) Payable to successful developer (ITPs)	123.83	97.60
(c) Amount received for short term bidding of power (e-DEEP) (Note 21.1)	2,169.44	1,555.23
(d) Amount payable to Power Finance Corporation Limited	98.33	77.60
(e) Funds from PFC for UT privatisation (including interest accrued) (Note 14.2)	192.03	-
(f) Other payables	21.82	8.44
Total	2,640.53	1,740.29

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

22 Other current liabilities

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
(a) Statutory dues payable	227.20	149.58
Total	227.20	149.58

23 Provisions

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current		
(a) Provision for employee bonus/incentive	343.80	294.08
(b) Provision for CSR Expenditure	104.36	-
(c) Provision for expenses	2.12	-
Total	450.48	294.08

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24 Revenue from operations

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of services:		
Consultancy	6,776.83	11,125.99
Other operating revenue:		
-Sale of Request for Qualification (RFQ)	8.00	14.00
-Processing fee	0.42	2.46
Total	6,785.26	11,142.45

25 Other Income

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from financial assets at amortised cost		
-On bank deposits	359.42	481.62
-On receivables from associate companies of holding company	104.80	83.57
Interest on loan to associate companies	150.01	61.06
Unwinding of discount on employees loans	15.99	40.54
Unwinding of discount on security deposit	5.53	6.53
Interest on Income Tax Refund	6.33	-
Miscellaneous Income	-	18.81
Other non-operating income:		
Provisions no longer required written back:		
- for expenses	17.89	1.36
- for doubtful debts and advances	-	28.97
-for loss of shortage in property, plant and equipment	0.42	-
Total	660.40	722.47

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26 Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub consultancy charges	1,381.26	1342.29
Advertisement expenses	2.59	12.77
Others	-	4.12
Total	1,383.85	1,359.18

27 Employee benefits expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	1,016.22	965.43
Contribution to provident and other funds	139.91	130.19
Staff welfare expenses	63.57	166.62
Deferred employee benefits written off	38.24	12.77
Total	1,257.93	1,275.01

Notes:

- a) The Employee benefits include Rs. 103.54 lakh (previous year Rs 94.99 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits.

28 Finance Cost

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expense : Lease (Office Premises)	23.90	54.45
Total	23.90	54.45

- Refer to Note 37- Leases

29 Depreciation and amortisation expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On property, plant and equipment - Note 2	88.51	97.95
On right of use - Office Premises - Note 3	253.61	253.61
On Intangible assets - Note 4	0.16	3.57
Total	342.27	355.13

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30 Other expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Payments to auditor:		
As Auditor	5.00	3.00
Tax audit fee	1.25	0.81
GST Audit fee	-	0.84
Advertisement expenses	-	3.07
Loss on Property, Plant and Equipments written off	1.12	0.59
Business Promotion	-	25.73
Diwali Expenses	5.17	12.62
Electricity and water charges	18.91	15.57
Entertainment expenses	21.10	95.68
Insurance	-	0.14
Interest paid on TDS and Income tax	0.11	0.03
Legal and professional expenses	5.44	38.62
Loss on sale of property, plant and equipment	1.66	0.39
Meeting expenses	0.27	12.52
Miscellaneous expenses	10.10	8.68
Office maintenance expenses	38.87	56.00
Office rent	12.28	61.65
Outsourcing expenses	350.91	315.09
Printing and stationery	7.13	8.84
Rates and Taxes	5.26	1.53
Telephone expenses	14.87	11.94
Training expenses	12.63	119.74
Travelling and conveyance	7.65	109.56
Vehicle hiring and running expenses	7.66	20.79
Bad debts written off- Note 5(b) & 6(b)	-	343.23
Less: Provision for doubtful debts made in earlier years	-	(343.16)
Investment written off (equity shares of associate companies)	-	10.00
Less: Impairment of Investment in earlier years- Note 9	-	(10.00)
Allowances for doubtful debts and advances	104.29	37.20
Impairment in value of investment	-	1.00
Total	631.68	961.70

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

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Profit after tax used as numerator (Rs. in lakh)	2,709.85	5,825.11
Weighted average number of Equity shares used as denominator (basic and diluted)	52,246	52,246
Earning per equity share, face value Rs. 10 each (basic and diluted) (Rs.)	5,186.71	11,149.38

32 Segment information

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

32.1 Information about major customers

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

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Bikaner-II Bhiwadi Transco Limited	1,658.17	-
Vapi-II North Lakhimpur Transmission Ltd.	831.90	-
West Bengal State Electricity Distribution Co. Ltd.	909.45	-
Bhuj-Transmission Limited	-	1,415.19
Bikaner Khetri Transmission Limited	-	1,516.91
Fatehgarh-II Transco Limited	-	1,188.11
Lakadia-Vadodara Transmission Limited	-	1,553.35
	<u>3,399.52</u>	<u>5,673.56</u>

- No other single customer contributed 10% or more to the company's revenue for both financial year 2020-21 and 2019-20.

33 Tax Expense

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	1,009.31	1,840.50
Income tax adjustment for earlier years	6.80	5.53
	<u>1,016.11</u>	<u>1,846.02</u>
Deferred tax		
In respect of the current year (refer note 7)	(54.33)	188.31
	<u>(54.33)</u>	<u>188.31</u>
Total tax expense recognised in the Statement of profit and loss	<u>961.78</u>	<u>2,034.34</u>

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

Profit before tax	3,671.63	7,859.44
Applicable Tax Rate	25.168%	25.168%
Calculated income tax expense	924.07	1,978.06
Tax effect of ;		
Non-deductible expenses	32.88	4.64
Tax exempt income	(5.42)	(11.85)
Adjustment on account of change in deferred tax rate	-	60.56
Income tax adjustment for earlier years	6.80	5.53
Others	3.44	(2.61)
Income tax expense recognised in profit or loss	<u>961.78</u>	<u>2,034.34</u>

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34 Related Party Disclosures

34.1 Name of related parties and description of relationship:

Holding Company	
1	Power Finance Corporation Limited (PFCL)
Fellow Subsidiary Companies	
1	REC Limited (RECL)
2	REC Power Distribution Company Ltd (through RECL)
3	REC Transmission Projects Company Limited (through RECL) (amalgamated with REC Power Distribution Company Ltd. vide MCA order dated 05.02.2021)
Associate Companies	
1	Tanda Transmission Company Limited*
2	Shongtong Karcham-Wangtsoo Transmission Limited*
3	Bijawar-Vidarbha Transmission Limited (National Committee on Transmission (NCT) has already recommended for closure/de-notification of the scheme/ITP, however, formal gazette notification from MoP is awaited)
4	Vapi-II North Lakhimpur Transmission Limited- transferred to Sterlite Grid 13 Limited on 23rd June, 2020
5	Karur Transmission Limited
6	Koppal-Narendra Transmission Limited
7	Sikar-II Aligarh Transmission Limited
8	Khetri-Narela Transmission Limited
9	Ananthapuram Kurnool Transmission Limited
10	Bikaner-II Bhivadi Transco Limited-transferred to Power Grid Corporation of India Limited on 25th March, 2021
11	Bhadla Sikar Transmission Limited
Associate of PFCL	
1	Coastal Maharashtra Mega Power Limited*
2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited
4	Ghogatpalli Integrated Power Company Limited
5	Coastal Karnataka Power Limited*
6	Tatya Andhra Mega Power Limited*
7	Coastal Tamil Nadu Power Limited
8	Deoghar Mega Power Limited
9	Chhattisgarh Surguja Power Limited*
10	Cheyur Infra Limited
11	Deoghar Infra Limited
12	Odisha Infrapower Limited
13	Bihar Infrapower Limited
14	Bihar Mega Power Limited
15	Jharkhand Infrapower Limited
Associate of RECL	
16	Sikar New Transmission Limited
17	Ranigarh New Transmission Limited (Transferred to M/s Power Grid Corporation of India Limited on 09.03.2021)
18	MP Power Transmission Package-II Limited
19	MP Power Transmission Package-I Limited
20	Gadag Transmission Limited
21	Fatehgarh Bhadla Transco Limited
22	Rajgarh Transmission Limited
23	Bidar Transmission Limited
24	Dinchar Transmission Limited
25	Chandil Transmission Limited
26	Dumka Transmission Limited
27	Mandar Transmission Limited
28	Kodema Transmission Limited
29	Kallam Transmission Limited
Joint Venture of PFCL	
1	Energy Efficiency Services Limited ("EESL" through PFCL)
2	Creighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)
4	Edina Acquisitions Limited (through EESL)
5	Anesco Energy Services (South) Limited (through EESL)
6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)
8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)
10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)
12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)
14	Edina Manufacturing Limited (through EESL)
15	EPSL Trigenation Private Ltd (through EESL)
16	Convergence Energy Services Limited (through EESL)

*under process of striking off

Key Managerial Persons (KMP)		
S. No.	Name	Designation
1	Shri Ravinder Singh Dhillon (Director w.e.f 12-Jun-2019 upto 31-May-2020) (Chairman w.e.f. 01-Jun-2020)	Chairman
2	Shri. Rajeev Sharma (Superannuated on 31-May-2020)	Chairman
3	Shri Praveen Kumar Singh (since 17-Sep-2018)	Director
4	Smt. Panninder Chopra (w.e.f. 01-Jul-2020)	Director
5	Shri Naveen Bhushan Gupta (since 24-Aug-2017 superannuated on 30-Jun-2020)	Director
6	Shri Yogesh Juneja (w.e.f 10-Oct-18 upto 04-Aug-2020)	Chief Executive Officer
7	Shri Manoj Kumar Rana (since 05-Aug-2020)	Chief Executive Officer
8	Shri Manish Kumar Agrawal	Company Secretary

PFC CONSULTING LIMITED

(CIN: U74140DL2008GC0175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Standalone Financial Statements for the year ending 31 March 2021

34.2 Details of transactions:

34.2.1. Transactions with Holding Company and its Associates

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Manpower Charges	380.79	775.40
Consultancy Fees	53.50	81.50
Amount receivable for reimbursement of expenses	140.36	382.81
Interest Income on Receivables from UMPPs	104.80	83.57
Dividend Paid	-	7,500.00

34.2.2. Transactions with Associates

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Manpower Charges	1,457.44	595.46
Loans granted	1,166.59	359.06
Interest Earned	150.01	61.06
Consultancy charges on transfer of ITP to successful bidder	2,183.96	3,991.65

34.2.3. Transactions with entities under the control of same government

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

Name of related party	Nature of transaction	(Rs. in lakh)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
NTPC Vidyut Vyapar Nigam Limited	Short Term Bidding Fees	47.00	20.17
NHPC Limited	Short Term Bidding Fees	3.48	17.00
Coal India Ltd.	Consultancy Income	-	33.50
Power Grid Corporation of India Limited	Sale of RFQ	1.00	2.00
MSTC Limited	Consultancy Expense	188.70	179.58
SBI Capital Markets Limited	Consultancy Expense	160.23	20.00
Railtel Enterprises Ltd.	Outsourcing Expenses	13.47	4.41

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

34.2.4. Compensation of key management personnel:

The Key Managerial personnel (KMP) of the Company are employees of the Power Finance Corporation Limited deployed on part time basis except C.E.O. and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Details of managerial remuneration paid to KMP is as under:-

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>Short term employee benefits</u>		
CEO	66.42	69.47
Company Secretary	41.37	38.83
<u>Post-employment benefits</u>		
CBO	2.13	2.27
Company Secretary	1.25	1.22
	111.18	111.80

34.3. Details of outstanding balances:

34.3.1. Outstanding balances with group companies

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Amount receivable including interest accrued		
- From holding company and its associates	2,161.32	1700.43
- From associates	1,902.81	736.24
- From associates (under incorporation)	25.49	50.48
Amount payable to associates (under incorporation)	41.30	-
Amount payable including interest accrued to holding company	192.03	-

34.3.2. Outstanding balances with entities under the control of same government

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
- Amount payable to		
SBI Capital Markets Limited	13.19	21.20
MSTC Limited	29.01	2.70
Railtel Enterprises Ltd.	20.20	17.58

Notes:

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

35 Financial Instruments

35.1 Capital Management

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

35.2 Categories of financial instruments

Financial assets and liabilities		(Rs. in lakh)	
Particulars	Note	As at 31 March 2021	As At 31 March 2020
Financial assets measured at amortised cost			
Cash and cash equivalents	11	3,103.63	498.08
Other Bank Balances	12	665.92	903.54
Trade receivables	10	2,743.50	2,658.64
Loans	5	71.29	254.05
Other financial assets	6	2,535.42	2,212.71
Total		9,119.76	6,527.03
Financial liabilities measured at amortised cost			
Trade payables	19	1,039.90	708.59
Lease Liability	18,20	72.57	341.90
Other Financial Liabilities	21	2,640.53	1,740.29
Total		3,753.00	2,790.78

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

35.3 Financial Risk Management

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

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

A. Liquidity Risk

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

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2021 and 31 March 2020.

B. Market Risk

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

i) Foreign Currency Risk

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

ii) Interest Rate Risk

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

iii) Equity Price Risk

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

C Credit Risk

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

i) Trade Receivables

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

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

(I) Ageing analysis of Trade receivables is as follows :

	(Rs. in lakh)			
Particulars	0 to 1 year	1 to 2 year	More than 2 years	Total
Gross carrying amount as at 31 March 2021	1,657.35	492.15	1,340.77	3,490.28
Gross carrying amount as at 31 March 2020	2,579.57	158.15	565.03	3,302.75

(II) Movement in the expected credit loss allowance

	(Rs. in lakh)	
Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	644.11	671.39
-Impairment allowance reversal	-	27.28
-Impairment losses recognised	102.67	-
Balance at the end of the year	746.78	644.11

ii) Loans

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

iii) Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 3103.63 lakh (as at 31 March 2020 Rs. 498.08 lakh). The same are held with scheduled banks with good rating and hence the risk of default is managed.

iv) Deposits with banks

The Company held deposits with banks of Rs. 2204.23 lakh (as at 31 March 2020 Rs. 2346.41 lakh). In order to manage the risk, Company places deposits with only scheduled banks with good rating.

35.4 Fair value hierarchy

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

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36. Leases

(Rs. in lakh)			
S.No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a)	Amortisation charge for right-of-use assets by class of underlying asset (Refer Note 3)	253.61	253.61
(b)	Interest expense on lease liabilities (Refer Note- 28)*	23.90	54.45
(c)	The expense relating to short-term leases	-	48.58
(d)	The expense relating to leases of low-value assets	7.54	7.43
(e)	Total cash outflow for leases	300.77	339.18
(f)	The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset. (Refer Note 3)	63.40	317.01

*for impact of prior period item, refer Note 44.

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

(Rs. in lakh)			
S.No	Particulars	As at 31 March 2021	As at 31 March 2020
(a)	Opening balance	341.90	-
(b)	Additions during the year	-	570.62
(c)	Finance cost accrued during the year	23.90	54.45
(d)	Payment of lease liabilities	293.23	283.18
(e)	Closing balance	72.57	341.90

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis as at 31.03.2021 :

(Rs. in lakh)			
S.No	Particulars	As at 31 March 2021	As at 31 March 2020
(a)	Upto 1 year	73.31	293.23
(b)	1-5 years	-	73.31
(c)	More than 5 years	-	-

36.1 Lease premises for the employee's residence is a part of their compensation and is not considered here as the same is included in Salary & Allowances (refer note 27-Employee Benefit Expenses).

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

37. Assets classified as Held for Sale

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

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

I. RFQ

II RFP

III. Reverse Auction Bidding

IV. Issue of LoI

V. Share Transfer Agreement

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

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

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38. Contingent Liabilities

(Rs. in lakh)			
S. No.	Description	As at 31 March 2021	As at 31 March 2020
(a)	Claims against the company not acknowledged as debt #	18.16	-
(b)	Guarantees excluding financial guarantees	-	-
(c)	Others	-	-
(i)	Bank Guarantee issued (against 100% margin)	230.97	271.70
(ii)	Disputed income tax matter under appeal *	265.73	265.73

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

The Statutory Auditor of the company for preceding FY 2019-20 has claimed an amount of Rs. 21.16 lakhs towards audit fee against the approved audit fee of Rs. 3.00 lakhs. Further communication in this regard with the auditor is underway. Therefore the claim raised by auditor net of already provided fees is disclosed as claim against the company not acknowledged as debt.

39. Capital and other commitments

(Rs. in lakh)			
S. No.	Description	As at 31 March 2021	As at 31 March 2020
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	93.23	123.06

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

(Rs. in lakh)			
S. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(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	21.21	-
	- Interest due on above	-	-
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2021 (Nil as at 31.03.2020). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

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41. Transactions in foreign currency -

(i) Earnings

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

(ii) Expenditure

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

42. Corporate Social Responsibility (CSR) Expenses

During the year, Ministry of Corporate Affairs (MCA) has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ('amendment') and has also notified the effective date as 22.01.2021 for the amendments of Section 135 of the Companies Act made vide Companies Amendment Act, 2019 and Companies Amendment Act, 2020. In accordance with the amendment under the said notifications, any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Any unspent amount pursuant to any ongoing project must be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years, failing which it shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be set off for three succeeding financial years against the amount to be spent. As the notification is made effective during FY 2020-21 the Company is complying with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the current financial year. Further, the unspent CSR amount as at 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

- a) Details of amount required to be spent by the Company on CSR activities as per the pre-amendment framework (i.e. for period up to 31.03.2020) and as per the post-amendment framework (i.e. for FY 2020-21) during the year is as under:

Particulars	(Rs. in lakhs)			For the year ended 31 March 2020
	For the year ended 31 March 2021	For period up to 31.03.2020	Total	
Carry forward from previous year		123.06	-	123.06
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013		-	104.56	104.56
Gross amount required to be spent		123.06	104.56	227.62
Amount spent/provided during the year *		29.83	104.56	134.39
Unspent amount		93.23	-	93.23

* Provision for CSR expenditure for FY 2020-21 has been made as per amended CSR provisions and the amount has been transferred in a separate bank account within 30 days from the end of financial year.

- b) Details of amount spent during the year

Particulars	(Rs. in lakhs)			For the year ended 31 March 2020		
	Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
Construction / Acquisition of any asset (i)	-	-	-	-	-	-
On Purposes other than (i) above						
Financial Assistance for Skill development training of unemployed youth belonging to SC/ST/OBC/PWD Women/EWS Categories through IGIAT	29.83	-	29.83	-	-	-
Total (ii)	29.83	-	29.83	-	-	-
Grand Total (i) and (ii)	29.83	-	29.83	-	-	-

43. Balance Confirmation from parties

The company has sent letters to various parties under trade receivables, advances, payables, bankers etc. for confirmation of balances as at 31.03.2021. Status of confirmation received from these balances as on date of approval of financial statements are as under -

Particulars	Amount as on 31.03.2021	Confirmed	Not Confirmed
Loans (current and non current)	71.29	0.09	71.20
Other financial assets (current and non current)	2,535.42	2,535.42	-
Trade receivables	2,743.50	-	2,743.50
Cash and cash equivalents	3,103.63	3,103.63	-
Bank balances other than cash and cash equivalents	665.92	665.92	-
Other current assets	143.69	-	143.69
Trade payables	1,039.90	249.23	790.67
Other financial liabilities	2,640.53	290.37	2,350.16

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

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44. Prior period items:

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

(Rs. in lakhs)					
S. No.	Particulars	As on 31.03.2020 as per last audited Balance Sheet	Prior period items	As on 31.03.2020 Restated	Remark
A. Balance Sheet (relevant items)					
	Assets				
	Other financial assets (Non current)	1,384.50	58.37	1,442.87	Interest on bank deposits of previous year provided for
	Other financial assets (Current)	773.65	(3.82)	769.84	Training expenses booked by adjusting supplier advance
	Deferred tax assets (net)	261.50	(3.55)	257.95	Deferred tax impact of prior period adjustments
	Other current assets	213.16	(50.48)	162.67	Amount receivable from ITP under incorporation shown in Assets classified as
	Assets classified as held for sale	739.12	50.49	789.61	Amount receivable from ITP under incorporation shown in Assets classified as
	Total		51.01		
	Equity & Liability				
	Other equity (Retained earnings)	6,001.99	10.57	6,012.56	Net effect on retained earnings of prior period errors
	Non current financial liabilities Lease liabilities	56.99	15.59	72.57	Impact of Interest on Lease under provided
	Trade payables	707.09	1.50	708.59	Liability towards prior period expenses provided
	Current financial liabilities Lease liabilities	245.98	23.34	269.33	Impact of Interest on Lease under provided
	Total		51.01		
B. Statement of Profit & Loss for year ending 31.03.2020 (relevant items)					
	Other income	664.10	58.37	722.47	Interest on bank deposits of previous year provided for
	Consultancy service expenses	1,356.73	2.45	1,359.18	Regrouping of consultancy service expense from other expenses
	Finance Cost	15.52	38.93	54.45	Interest on Lease underprovided
	Other expenses	958.83	2.86	961.70	Regrouping of consultancy service expense from other expenses and prior period expenses
	Profit before tax	7,845.32	14.12	7,859.44	Net effect of prior period items on profit before tax
	Tax expenses:				
	Current tax	1,840.50	-	1,840.50	NIL effect
	Income tax adjustment for earlier years	5.53	-	5.53	NIL effect
	Deferred tax	184.76	3.55	188.31	Tax effect of prior period items
	Total tax expenses	2,030.79	3.55	2,034.34	Tax effect of prior period items
	Profit after tax	5,814.53	10.57	5,825.11	Net effect of prior period items on profit after tax
	Earnings per share (Basic & Diluted)	11,129.14	20.24	11,149.38	Net effect of prior period items

45. The Statutory Auditor of PFCCL during the course of audit for FY 2019-20, highlighted certain suspected irregularities in some of the transactions of PFCCL related to business promotions, official hospitality and related allocation of expenses to subsidiaries/ fellow subsidiary companies. Statutory Auditor of PFCCL vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCL and MCA. Based on this letter of Statutory Auditor of PFCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way. Statutory Auditor has issued a disclaimer opinion on preceding year financial statements for these suspected irregularities.

In continuation to the above, during the financial year 2020-21 similar transactions were noted which are as under -

Head	Rs. in lakhs
Official hospitality	21.10
Misc. Expenses/Reimbursements	3.69
Consultancy	1.35
Tour and Travel	0.77
Advance	1.28
Total	28.19

The above include 11 Nos. missing Bank Payment Voucher of Rs 7.17 lakhs pertaining to payments to vendors, employees etc. The expenditure has been booked under respective accounting head and necessary effect related to recoverability etc. will be considered after completion of enquiry.

46. Incorporation of Associate Companies

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

During the year following associates (ITP) have been incorporated

(Rs. in lakh)

Company Name	Year ended 31.03.2021			Year ended 31.03.2020		
	Date of Incorporation	Share in ownership	Investment in Share Capital	Date of Incorporation	Share in ownership	Investment in Share Capital
Sikar-II Aligarh Transmission Limited	17-05-2020	100%	1.00	-	-	-
Khetri-Narain Transmission Limited	15-05-2020	100%	1.00	-	-	-
Ananthpawam Kurmool Transmission Limited	13-05-2020	100%	1.00	-	-	-
Bikaner-II Bhiwadi Transco Limited	12-05-2020	100%	1.00	-	-	-
Bhadla Sikar Transmission Limited	13-05-2020	100%	1.00	-	-	-
Koppal-Narendra Transmission Limited	-	-	-	18-11-2019	100%	1.00
Karur Transmission Limited	-	-	-	20-11-2019	100%	1.00
Meerut-Simbhawali Transmission Limited	-	-	-	17-06-2019	100%	1.00

47. Transfer/Disinvestment of Associate Companies

Name of the Company	Year ended 31.03.2021		Year ended 31.03.2020	
	Date of Incorporation	Date of transfer to successful bidder	Date of Incorporation	Date of transfer to successful bidder
Vapi II North Lakhimpur Transmission Limited	25-06-2018	23-06-2020	-	-
Bikaner-II Bhiwadi Transco Limited	12-05-2020	25-03-2021	-	-
Meerut-Simbhawali Transmission Limited	-	-	17-06-2019	19-12-2019
Bikaner-Khetri Transmission Limited	-	-	22-02-2019	19-09-2019
Bhuj-II Transmission Limited	-	-	25-02-2019	16-10-2019
Fatehgarh-II Transco Limited	-	-	26-02-2019	14-10-2019
Lakadia-Vadodara Transmission Project Limited	-	-	15-03-2019	26-11-2019

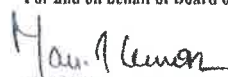
48. Standards/ amendments issued but not yet effective

The Ministry of Corporate Affairs ("MCA") through a notification dated 24.03.2021, amended Division II of Schedule III of the Companies Act, 2013 w.e.f. 01.04.2021. The Company will assess and implement the amendments to Division II in the FY 2021-22, as applicable.


49. Events occurring after the reporting date

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

For and on behalf of Board of Directors



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


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

For K P M C & Associates
Chartered Accountants
(Firm Registration No: 005359C)


(Sanjay Mehra)
Partner
M. No. 075488

Place: New Delhi
Date: 05 Nov 2021



INDEPENDENT AUDITOR'S REPORT

To the Members of

PFC Consulting Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of '**PFC consulting Limited**' (hereinafter referred to as "PFCCCL/The Holding Company/Company") and its associates (the holding company and associates together to as "the group"), which comprise Consolidated balance sheet as at 31st March 2021, and the consolidated statement of profit and loss (including Other Comprehensive Income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the group as at March 31, 2021, and its consolidated profit (including Other Comprehensive Income), consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters:

- **Attention is invited to Note No. 47** where suspected irregularities in some of the transactions of PFCCCL related to business promotions, official hospitality, and related allocation of expenses to subsidiaries/ fellow subsidiary companies are highlighted. Previous year statutory auditor of PFCCCL vide its letter dated 25.06.2020 reported the similar matter to Board of Directors of PFCCCL and MCA. Based on this letter of Statutory Auditor of PFCCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCCL has been awarded major penalty and further investigation is under way.
- **Attention is invited to Note No. 45** on balance confirmation statement which contains the details of confirmation not received on the following standalone financial statement line items. The balance confirmation of Loans, Trade receivables, Other current assets, Trade payables, Other financial liabilities are subject to confirmation and reconciliation.



- Attention is invited to Note No. 15 on loans to associates (ITPs) including accrued interest.

The loan to the following associates (ITPs) held for sale including accrued interest are subject to confirmation and reconciliation due to non-completion of its statutory audit.

(Rs. In Lakhs)

Particular	As at 31 st March, 2021	As at 31 st March, 2020
Karur Transmission Limited	307.77	183.90

- Attention is invited to Note No. 40 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 where Company has not obtained MSME status confirmation of its vendors as of March 31, 2021.

Our opinion is not qualified in respect of the above matters

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error in preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

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

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

As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.



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

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

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

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

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

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

Other Matter

(a) We did not audit the financial statements/financial information of eight associates whose financial statements/financial information reflects total assets of Rs. 1652.29 Lakhs, total revenue NIL and Net cash flow amounting to Rs. 37.30 Lakhs for the year ended on that date. As these companies have been treated as associates for the purpose of consolidation, they are consolidated based on equity method, these figures are not reflected in the consolidated financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include information of one associate whose financial statements/financial information reflects total assets of Rs. 310.45 Lakhs, total revenue NIL and Net cash flow amounting to Rs. 0.01 Lakhs for the year ended on that date. As this company has been treated as associate for the purpose of consolidation, it is consolidated based on equity method, these figures are not reflected in the consolidated financial statements.

This financial statement / financial information has not been audited by us. This financial statement / financial information is unaudited and have been furnished to us by the Management and our



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

Reference is invited to Note no. 44 regarding consolidation of these nine wholly owned subsidiaries of the company having been treated as associates for the purpose of consolidation and consolidated on Equity method whereby net profit or loss of the subsidiaries is adjusted in the carrying amount of investments.

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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



- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 38 to the financial statements.
- ii. The Company did not have any long-term contracts including derivatives 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 **K P M C & Associates**
Chartered Accountants
FRN: 005359C



CA. Sanjay Mehra
(Partner)
(Membership No. 075488)
Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAA1B1958

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

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

We have audited the internal financial controls over financial reporting of **PFC Consulting Limited** ("the Company") and its **nine associates** as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us. The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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".

Without qualifying our opinion, according to the information and explanations given to us and based on our audit, we draw attention to the following:

- a) Matters described in note 47 of the financial statement i.e., matters relating to suspected irregularities in some transactions. Previous year's statutory auditor of PFCCCL vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCCL and MCA. Based on this letter of previous year statutory auditor of PFCCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCCL has been awarded major penalty and further investigation is under way.
- b) Process of obtaining balance confirmation and Reconciliations with the parties needs improvement.



Other Matters

Our aforesaid reports under sub section 3(i) of section 143 of the Act, on the internal financial controls with reference to consolidated Ind AS financial statements in so far as applicable to eight associates is based on the corresponding report of the auditors of such company incorporated in India and in respect of one associate, we have relied on the explanation provided by the management of holding company in absence of report of Internal Financial Controls of such entity.

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



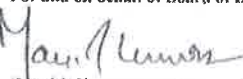
CA Sanjay Mehra
(Partner)
Membership No. 075488
Place: New Delhi
Date: 29/11/2021
UDIN: 21075488AAAAALB1958

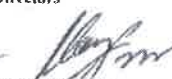
(Rs. in lakh)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
(I) ASSETS				
(1) Non-current assets				
	(a) Property, plant and equipment	2	108.81	161.53
	(b) Right of use assets	3	63.40	317.01
	(c) Other intangible assets	4	0.14	0.30
	(d) Financial assets			
	(i) Loans	5	68.20	205.39
	(ii) Other financial assets	6	1,538.32	1,442.87
	(e) Deferred tax assets (net)	7	312.29	257.95
	(f) Other non-current assets	8	-	57.36
	Total non-current assets		2,091.16	2,442.41
(2) Current assets				
	(a) Financial assets			
	(i) Investments	9	-	-
	(ii) Trade receivable	10	2,713.50	2,658.61
	(iii) Cash and cash equivalents	11	3,103.63	498.08
	(iv) Bank balances other than cash and cash equivalents	12	665.92	903.54
	(v) Loans	5	3.09	48.67
	(vi) Other financial assets	6	997.10	769.84
	(b) Current tax assets (net)	13	1,308.47	978.77
	(c) Other current assets	14	387.54	162.67
	Total current assets		9,174.25	6,020.21
(3) Assets classified as held for sale		15	1,934.20	789.60
	Total assets classified as held for sale		1,934.20	789.60
	Total assets		13,199.61	9,252.22
(II) EQUITY AND LIABILITIES				
(1) Equity				
	(a) Equity share capital	16	5.22	5.22
	(b) Other equity	17	8,722.42	6,012.56
	Total equity		8,727.64	6,017.78
(2) Liabilities				
(A) Non-current liabilities				
	(a) Financial liabilities			
	(i) Lease liabilities	18	-	72.57
	Total non-current liabilities		-	72.57
(B) Current liabilities				
	(a) Financial liabilities			
	(i) Trade payables	19		
	(A) total outstanding dues of creditors other than micro enterprises and small enterprises		21.21	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,018.68	708.59
	(ii) Lease liabilities	20	72.57	269.33
	(iii) Other financial liabilities	21	2,640.53	1,740.29
	(b) Other current liabilities	22	227.20	149.58
	(c) Provisions	23	450.48	294.08
	Liabilities directly associated with assets classified as held for sale	15	41.30	-
	Total current liabilities		4,471.97	3,161.87
	Total equity and liabilities		13,199.61	9,252.22

See accompanying notes from S No. 1 to 51 to the Consolidated financial statements

For and on behalf of Board of Directors


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


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M. No. 075458



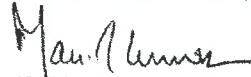
Place: - New Delhi
Date: - 29 Nov 2021

(Rs. in lakh)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
	Income			
I.	Revenue from operations	34	6,785.26	11,112.44
II.	Other income	35	560.40	772.47
III.	Total income (I+II)		7,445.66	11,864.91
IV.	Expenses			
(a)	Consultancy services expense	26	1,383.85	1,359.18
(b)	Employee benefits expense	27	1,257.93	1,275.01
(c)	Finance Cost	28	23.90	54.45
(d)	Depreciation and amortisation expense	29	312.27	355.13
(e)	Corporate social responsibility expense	32	134.39	-
(f)	Other expenses	36	631.69	961.51
	Total expenses (IV)		3,774.03	4,005.28
V.	Profit before share of profit(loss) of associates(III - IV)		3,671.63	7,859.63
VI.	Share of profit(loss) of associates accounted for using equity method		-	-
VII.	Profit before tax (V+VI)		3,671.63	7,859.63
VIII.	Tax expenses:	33		
	Current tax		1,009.31	1,840.50
	Income tax adjustment for earlier years		6.80	5.53
	Deferred tax		(51.34)	188.31
	Total tax expenses (VIII)		964.77	2,034.34
IX.	Profit for the year (VII-VIII)		2,709.86	5,825.29
X.	Other comprehensive income		-	-
XI.	Total comprehensive income for the year (IX+X)		2,709.86	5,825.29
	Earnings per equity share in Rs. : (face value Rs. 10/- each)			
	Basic	31	5,186.73	11,149.74
	Diluted		5,186.73	11,149.74

See accompanying notes from S.No. 1 to 51 to the Consolidated financial statements

For and on behalf of Board of Directors


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


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M. No. 075488



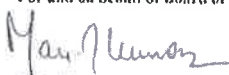
Place: - New Delhi
Date: - 29 Nov 2021



		(Rs. in Lakhs)	
	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.	Cash flow from operating activities:		
	Profit before tax	1,687.44	12,890.61
	Adjustments for:		
	Depreciation and amortisation	332.27	388.13
	Interest income	(614.24)	(626.15)
	Provision for doubtful debts	104.29	39.20
	Provision for diminution in value of investment	-	0.81
	Unwinding of discount on employees loans	(15.99)	(40.54)
	Unwinding of discount on security deposit	(5.53)	(6.53)
	Loss on Property, Plant and Equipments written off	1.12	0.59
	Loss on sale of property, plant and equipment	1.66	0.39
	Provision written back for expenses	(17.89)	(1.36)
	Provision written back for loss on shortage of PPI	(0.47)	-
	Provision written back for doubtful debts and advances	-	(28.98)
	Operating profit before working capital changes	3,466.91	7,550.09
	Adjustments for changes in working capital:		
	- Increase/(decrease) in trade payables	331.30	(53.54)
	- Increase/(decrease) other non-current financial liabilities	(72.57)	(257.60)
	- Increase/(decrease) in current provisions	(56.40)	35.99
	- Increase/(decrease) in other current liabilities	95.51	(239.29)
	- Increase/(decrease) in financial liabilities	511.45	(267.65)
	- (Increase)/decrease in trade receivables	(189.15)	334.93
	- (Increase)/decrease in non-current loans	137.19	(40.39)
	- (Increase)/decrease in current loans	45.58	17.11
	- (Increase)/decrease in other current financial Assets	(109.98)	121.00
	- (Increase)/decrease in other current assets	(185.78)	0.41
	- (Increase)/decrease in other non-current assets	78.88	111.44
	- (Increase)/decrease in assets and liabilities held for sale	(1,020.47)	(426.32)
	Cash generated from / (used in) operating activities	3,245.27	6,886.73
	Income taxes paid (net)	(1,345.81)	(2,411.31)
	Net cash generated from / (used in) operating activities	1,899.46	4,475.42
B.	Cash flow from investing activities:		
	Addition in property, plant and equipment	(80.48)	(136.09)
	Increase/(decrease) other non-current financial Assets	(95.45)	(960.89)
	Increase/(decrease) other Bank Balances	237.62	1,713.48
	Proceeds from sale of property plant and equipment	42.32	83.96
	Interest received	414.14	908.49
	Net cash generated from/ (used in) Investing activities	518.15	1,608.95
C.	Cash flow from financing activities:		
	Dividend paid	-	(7,500.00)
	Corporate dividend tax paid	-	(1,541.65)
	Funds from PFC for UT privatisation	187.94	-
	Net cash generated from/ (used in) financing activities	187.94	(9,041.65)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,605.55	(2,957.28)
	Cash and cash equivalents at the beginning of the year	498.08	3,455.36
	Cash and cash equivalents at the end of the year (refer note 11)	3,103.63	498.08
	Cash and cash equivalents comprises:		
	Balance with banks		
	- in current accounts	2.49	1.99
	- in deposit accounts with original maturity upto 3 months	3,101.14	496.09
		3,103.63	498.08


See accompanying notes from S No. 1 to 51 to the Consolidated financial statements

For and on behalf of Board of Directors



(Manish Kumar Agrawal)
Company Secretary
M No F5048


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M No 075488



Place - New Delhi
Date - 29 Nov 2021



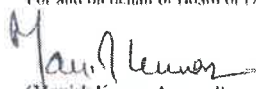
PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)
(A wholly owned subsidiary of Power Finance Corporation Limited)
Consolidated Statement of changes in equity for the year ended 31 March 2021

A. Equity share capital (Rs. in lakh)	
Particulars	Amount
Balance as at 1 April 2019	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2020	5.22
Changes in equity share capital during the year	-
Balance as at 31 March 2021	5.22

B. Other Equity (Rs. in lakh)			
Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained earnings	
Balance as at 1 April 2019	9.78	9,159.25	9,169.03
Adjustment for adoption of Ind AS 116	-	59.89	59.89
Total comprehensive income for the period	-	5,825.29	5,825.29
Payment of interim dividend for 2019-20	-	(7,500.00)	(7,500.00)
Tax on interim dividend for 2019-20	-	(1,541.65)	(1,541.65)
Balance as at 31 March 2020	9.78	6,002.78	6,012.56
Total comprehensive income for the period	-	2,709.86	2,709.86
Balance as at 31 March 2021	9.78	8,712.64	8,722.42


See accompanying notes from S No. 1 to 51 to the Consolidated financial statements

For and on behalf of Board of Directors


(Manish Kumar Agrawal)
Company Secretary
M. No. 15048


(Manoj Kumar Rana)
Chief Executive Officer


(Parminder Chopra)
Director
(DIN 08530587)


(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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


(Sanjay Mehra)
Partner
M. No. 075488



Place: - New Delhi
Date: - 29 Nov 2021

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PFC CONSULTING LIMITED

(CIN: U74140DL2008GO1175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

1 Corporate Information and Significant Accounting Policies

1.1 Corporate Information

PFC Consulting Limited ("the Company" or "PFCCL") is a public company incorporated under the Companies Act 1956 on 25th March 2008, domiciled in India and limited by shares (CIN: U74140DL2008GO1175858). The registered office of the Company is located at First Floor, Urjanidhi, I, Barakhamba Lane, Connaught Place, New Delhi - 110001 and the corporate office of the company is located at 9th Floor, Statesman House, Barakhamba Lane, Connaught Place, New Delhi - 110001.

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

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

1.2 Statement of Compliance and basis of preparation and presentation

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

ii) These Consolidated financial statements were approved by Board of Directors (BoD) on 29th Nov 2021

iii) Impact assessment of COVID-19 Global Pandemic outbreak

Currently, there is no major impact of COVID-19 on the Consolidated Financial Statements of the Company. However, the extent to which impact this pandemic will impact the Company's financial statements continue to be dependent on future developments relating to duration & severity of COVID-19, and any further actions by the Government & Regulatory bodies to contain its impact on the power sector. The Company shall also continue to closely monitor any material changes arising of uncertain future economic conditions and potential impact on its financial statements.

1.3 Significant Accounting Policies

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

i) Basis of Preparation and Measurement

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Amount in the financial statements are presented in Rs. Lakhs (upto two decimals) except for per share data and as otherwise stated.

ii) Use of Estimates

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

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

iii) Revenue recognition

- (i) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the company.
- (ii) Income from other consulting services rendered is recognised based on the terms of agreements/ arrangements with reference to the stage of completion of contract at the reporting date.
- (iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Interest income, on the financial assets subsequently measured at amortized cost, is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iv) Interest income, on the financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.
- (v) The income from sale of Request for qualification (RFQ) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- (vi) Income from short /Medium term bidding of power, Pilot scheme and Coal flexibility scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- (vii) Other income and expenses are accounted on accrual basis, in accordance with the terms of the respective contract.
- (viii) Prepaid expenses are not recognized if prepaid amount is less than Rs. one lac.

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

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.
- ii. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years instead of 5 years as per Schedule II to the Companies Act, 2013. Residual value is estimated as 5% of the original cost of PPE. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.
- iii. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.
- iv. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- v. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under property, plant and equipment. These Leasehold Improvements are amortised on straight-line method basis over the period of lease or their useful lives whichever is lower.
- vi. Items of PPE costing up to Rs. 5000/- each are fully depreciated, in the year of purchase.

v) Intangible Assets

- i. Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over useful life of the assets.
- ii. Estimated useful life of the intangible assets with finite useful lives has been estimated by the Company as 36 months.
- iii. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

PFC CONSULTING LIMITED
(CIN: U74140DL2008GOI175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

vi) Basis of Consolidation

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

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

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

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

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

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

vii) Cash and cash equivalents

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

viii) Income Taxes

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

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

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

PFC CONSULTING LIMITED
(CIN: U74140DL2008GO1175858)

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Notes to the Consolidated Financial Statements for the year ending 31 March 2021

ix) Employee Benefits

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

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

(ii) Short Term Employee Benefits

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

(iii) Loan to employees at concessional rates

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

x) Material Prior Period Errors

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

xi) Provisions and contingent liabilities

- (i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

xii) Leases

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

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

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

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

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

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

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

xiii) Business Combination under Common Control

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

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

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

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

xiv) Financial instruments

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

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

1 Financial assets

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

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

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

a) Financial assets at Amortised Cost:

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective Interest Rate (EIR) method

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

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

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

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

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

ii) Impairment of financial assets

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

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

PFC CONSULTING LIMITED
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(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

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

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

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

2 Financial liabilities

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

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

ii) **De-recognition of financial liabilities**

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

xv) **Earnings per share**

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

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

xvi) **Dividends**

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

xvii) **Foreign Currency Transactions and Translations**

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

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

PFC CONSULTING LIMITED
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Notes to the Consolidated Financial Statements for the year ending 31 March 2021

2. Property, plant and equipment

(Rs. in lakh)

Particulars	Computer Equipments	Furniture and Fixtures	Office Equipments	Leasehold Improvements	Total
Gross Block					
Balance as at 1 April 2019	138.67	115.57	76.13	165.65	496.03
Additions	11.14	76.18	48.76	-	136.09
Deductions/Adjustment	20.26	73.14	26.85	-	120.24
As at 31 March 2020	129.56	118.62	98.04	165.65	511.88
Additions	21.15	21.42	38.33	-	80.90
Deductions/Adjustment	29.31	15.14	30.58	-	75.02
As at 31 March 2021	121.40	124.90	105.80	165.65	517.75
Accumulated Depreciation					
Balance as at 1 April 2019	108.53	54.68	43.55	80.94	287.70
Charge for the year	18.88	17.15	25.78	36.14	97.95
Deductions/Adjustment	16.65	8.67	9.99	(0.00)	35.30
As at 31 March 2020	110.76	63.17	59.34	117.08	350.35
Charge for the year	11.92	15.91	24.55	36.14	88.51
Deductions/Adjustment	18.88	1.95	9.09	-	29.92
As at 31 March 2021	103.79	77.13	74.80	153.22	408.93
Net Block					
As at 31 March 2020	18.80	55.45	38.70	48.57	161.53
As at 31 March 2021	17.61	47.77	31.00	12.43	108.81

Notes:

- In view of the nature of assets held by the company and the rate of depreciation charged thereon, no provision for impairment of Property, Plant and Equipment is required.
- During the year, Property, Plant and Equipment (PPE) of Rs.0.42 lakh, as appearing in Note 8 as Shortage in PPE pending reconciliation, has been reinstated as the same was traced during the course of physical verification and accordingly value of Note 8 has been adjusted.

3. Right of Use

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease - Office Premises		
Opening Balance	317.01	-
Additions	-	570.62
Less: Amortisation for the year	253.61	253.61
Closing Balance	63.40	317.01

- Refer note 36 - Leases

PFC CONSULTING LIMITED

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Notes to the Consolidated Financial Statements for the year ending 31 March 2021

4. Other Intangible assets

(Rs. in lakh)	
Particulars	Amount
Computer software	
Gross Block	
Balance as at 1 April 2019	32.32
Additions	-
Deductions/Adjustment	0.00
As at 31 March 2020	32.32
Additions	-
Deductions/Adjustment	-
As at 31 March 2021	32.32
Amortisation	
As at 1 April 2019	28.45
Charge for the year	3.57
Deductions/Adjustment	(0.00)
As at 31 March 2020	32.02
Charge for the year	0.16
Deductions/Adjustment	-
As at 31 March 2021	32.18
Net Block	
As at 31 March 2020	0.30
As at 31 March 2021	0.14

Notes:

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

5. Loans

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
a) Other Loans (Unsecured, considered good)		
(i) Security deposit (Rent)	68.20	62.67
(ii) Loans to employees (refer Note v)	-	142.72
Total	68.20	205.39
Current		
a) Loans to related parties (Unsecured, credit impaired)		
Loans to associates (ITP's) including accrued interest*	37.64	37.32
Less : Allowances for bad and doubtful loans	(37.55)	(37.20)
Total (a)	0.09	0.12
b) Other Loans (Unsecured, considered good)		
(i) Security deposit (Rent)	3.00	6.10
(ii) Loans to employees (refer Note v)	-	42.45
Total (b)	3.00	48.55
Total (a+b)	3.09	48.67

* 100% provision of expected credit loss amounting to Rs. 37.55 lakhs (previous year Rs. 37.20 lakhs) is created against amount recoverable from associate (ITP) i.e. Bijawar-Vidarbha Transmission Limited. Loans to two other associate companies under striking off i.e. Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited has already been written off in the books with due approval of board.

Notes-

- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 35 - "Financial instruments".
- The Group has categorised all loans at amortised cost only in accordance with the requirements of Ind AS 109 "Financial Instruments".
- Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.

iv) Loans in the case of ITP's:

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

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans – Considered Good	0.09	0.12
Loans – Considered doubtful	37.55	37.20
Total	37.64	37.32

The ITP's are generally sold to bidders between a period of 12 to 18 months (refer note 15). However, sometimes the ITP's are denotified by the Ministry of Power and the loss is absorbed by the Company. During the last five years, 6 ITP's have been denotified resulting in a loss of Rs. 536.42 lakhs (previous year Rs. 536.39 lakhs).

- During the year all loans to employees (Multi purpose and Festival Advance) have been taken over by the Holding Company PFC, as the same will be dealt by PFC (in line with other loans like HBA etc). Therefore there are no outstanding employee related loans as on 31st March 2021 in the books of PFCCL.

PFC CONSULTING LIMITED
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Notes to the Consolidated Financial Statements for the year ending 31 March 2021

6. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
(a) Other bank balances		
Deposits with maturity of more than 12 months including accrued interest*	1,538.32	1,442.87
Total	1,538.32	1,442.87
* includes Rs. 230.97 lakh (as at 31 March 2020 Rs. 271.70 lakh) held as margin money against the bank guarantee issued to customer.		
Current		
(a) Advances (Unsecured, considered good)		
Advances to supplier/contractors	35.17	49.36
Advances to employees	2.27	4.54
Recoverable from Government Authorities	10.10	3.58
Total (a)	47.54	57.48
(b) Advances (Unsecured, credit impaired)		
Advances to supplier/contractors	1.64	0.36
Impairment allowance for doubtful advances	(1.64)	(0.36)
Total (b)	-	-
(c) Others (Unsecured, considered good)		
Amount receivable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest **	949.56	712.36
Total (c)	949.56	712.36
Total (a+b+c)	997.10	769.84

** Amount receivable of Rs. 949.56 lakhs (as at 31 March 2020 Rs. 712.36 lakh) is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. Prior to financial year 2018-19, these receivables were paid by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19, this amount was paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has been exhausted in some UMPPs. During the year interest amounting to Rs. 104.80 lakhs (as at 31st March 2020 Rs.83.57 lakh) has been charged on these receivables. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the receivables from UMPPs and the provision for expected credit loss is not required.

- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 35 - "Financial instruments".

PFC CONSULTING LIMITED
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7. Deferred Tax Assets (net)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Deferred tax assets in relation to:		
Property, plant and equipment and other intangible assets	67.47	60.41
Provisions for bad and doubtful trade receivables	197.49	171.56
Provision for impairment in the value of investments	1.76	1.76
Provision for employee benefits	42.79	31.31
Provision for expenses	0.33	-
Lease expense impact under Ind AS 116	2.44	-
Deferred tax assets	312.29	265.04
Deferred tax liability in relation to:		
Lease expense impact under Ind AS 116	-	3.53
Impact of prior period items	-	3.55
Deferred tax liability	-	7.08
Deferred tax assets (net)	312.29	257.95

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

(Rs. in lakh)

Particulars	As at 1 April 2020	Credit/ (charge) to profit and loss	Credit/ (charge) to OCI	As at 31 March 2021
Recognised in profit or loss				
Deferred tax (liabilities)/assets in relation to 2020-21				
Property, plant and equipment and other intangible assets	60.41	7.06	-	67.47
Provisions for bad and doubtful trade receivables	171.56	25.93	-	197.49
Provision for impairment in the value of investments	1.76	-	-	1.76
Lease expense impact under Ind AS 116	(3.53)	5.98	-	2.44
Provision for employee benefits	31.31	11.49	-	42.79
Provision for expenses	-	0.33	-	0.33
Prior period items	(3.55)	3.55	-	-
Total	257.95	54.33	-	312.29

8. Other non- current assets

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Unamortised employee cost	-	56.91
Unamortised security deposit (Rent)	-	0.45
Shortage in property, plant and equipment pending reconciliation	0.57	1.00
Less : Provision for loss of shortage in property, plant and equipment	(0.57)	(1.00)
Total	-	57.36

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9. Investments

(Rs. in lakh)

Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2021	As at 31 March 2020
Unquoted Equity Instruments - Current (fully paid up-unless otherwise stated, at cost)				
Associates under striking off				
Tanda Transmission Company Limited	50,000 shares of Rs. 10 each (31st March 2020, 50000 shares)	100%	-	-
Less : Impairment Allowance			-	-
Shongtong Karcham-Wangtoo Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	-	-
Less : Impairment Allowance			-	-
Bijawar-Vidarbha Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	0.81	0.81
Less : Impairment Allowance			(0.81)	(0.81)
Sub total (a)			-	-
Total investment carrying value			-	-
Aggregate amount of unquoted investments			0.81	0.81
Aggregate amount of impairment in the value of unquoted investments			(0.81)	(0.81)

Notes:

- Two associates namely Tanda Transmission Company Limited and Shongtong Karcham-Wangtoo Transmission Limited have been de-notified by Ministry of Power (MoP) and these companies are required to be wound up. Bijawar-Vidarbha Transmission Limited has been recommended for closure/de-notification by National Committee on Transmission (NCT). Therefore, in the previous year, the Company has created provision for the expenditure incurred on these companies to the extent not considered recoverable and realisable value of investment in equity shares were considered as Rs. Nil.
- The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company has incorporated wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).
- The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.
- In compliance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and to align with uniform accounting practices of the holding company, during the previous financial year the company has reclassified few of the ITP companies being associate companies as assets held for sale (refer note-15) since these companies are held for sale in near future.

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10. Trade Receivables

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Trade Receivables considered good - Unsecured	2,743.50	2,658.64
Trade Receivables - credit impaired	746.78	644.11
Less: Allowance for bad and doubtful trade receivables	(746.78)	(644.11)
Total	2,743.50	2,658.64

- 10.1 Expected Credit loss is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years. Refer note 35 - Financial Instruments
- 10.2 Trade receivables include Rs. 1310.09 Lakh (Rs. 1000.65 lakh as at 31 March 2020) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC (Holding Company). Prior to financial year 2018-19, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 this amount was paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has exhausted in some UMPPs. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the Company will be recovered from UMPP's, there is no impairment in the amount receivable from UMPPs and the provision for expected credit loss is not required.

11. Cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Balances with banks		
- Current accounts	2.49	1.99
(b) Deposits with banks with maturity upto 3 months (including autosweep deposits and accrued interest)	3,101.14	496.09
Total	3,103.63	498.08

12. Bank balances other than cash and cash equivalents

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest)	665.92	903.54
Total	665.92	903.54

13. Income tax assets (Net)

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Advance income tax / tax deducted at source (TDS)	2,317.78	2,819.27
Less: Provision for Income Tax	(1,009.31)	(1,840.50)
Total	1,308.47	978.77

Notes:

- 13.1 Advance income tax/TDS include income tax refund claimed by company Rs 876.49 lakhs for years before financial year 2020-21, which has been unpaid by department due to mismatch in tax credit data/technical reasons and therefore creating demands for some financial years which has subsequently adjusted by refunds. However these mismatch in tax credit data have now been corrected or explained and in view of the company all the refunds are legally tenable for which regular follow ups are being done with the department and therefore no provision for impairment is required in this regard.

14. Other current assets

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Secured, considered good		
(a) Advance to contractors/suppliers (secured against Bank Guarantees)	142.95	142.95
Unsecured, considered good		
(a) Advance to contractors/suppliers/others	0.74	0.42
(b) Unamortised employee cost	-	14.56
(c) Unamortised Security Deposit (Rent)	0.45	4.74
(d) Expenditure for UT Corporatisation/Privatisation (Note 14.1)	208.40	-
Total	352.54	162.67

- 14.1 In connection with Atma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories has to be Corporatised/privatised. MoP through PFCL has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFCL has appointed PFCL as the nodal agency for this work. The company during the FY 2020-21 has incurred expenditure on this project for which funding has been done by PFCL. The expenditure on this project alongwith interest is appearing in above Note 14 and amount funded by PFC alongwith interest is appearing in Note 21 other financial liabilities. Interest rate on such funded amount is 9.5% p.a. As per MoP letter dated 8.06.2020 the provision for funding of consultancy/transaction fees is being made in the new reforms linked scheme and until the same is approved under the scheme, recovery of the same can be made from the successful bidder. Further MoP vide OM dated 20.07.2021 has issued a Revamped Reforms Based and Results Linked Distribution Sector Scheme and the consultancy support provided by MoP to UTs will also be funded out of this component. The company is taking up the matter with MoP for recovery of its outstanding dues.

15. Disposal Group

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Assets classified as held for sale		
(a) Investment (refer note - 15.5)	6.00	3.00
(b) Loans to associates (ITPs) including accrued interest (refer note- 15.6)	1,902.72	736.12
(c) Amount receivable from ITP under Incorporation (Note 15.4)	25.48	50.48
Total (A)	1,934.20	789.60
Liabilities directly associated with assets classified as held for sale		
Amount payable to ITP under Incorporation (Note 15.4)	(41.30)	-
Total (B)	(41.30)	-
Net Disposal group (A-B)	1,892.90	789.60

Notes:

- 15.1 These entities are incorporated as per the guidelines of Ministry of Power (MoP), through bid process subscribed by ministry of power with a view to sell in near future. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with related assets and liabilities) has been considered as held for sale.
- 15.2 The above investment are managed as per the mandate from Government of India (GoI) and the company doesnot have practical ability to direct the relevant activities of these companies unilaterally. The Company therefore considers its investment in respective companies as Associates having significant influence despite the company holding 100% of their paid-up equity share capital.
- 15.3 The Investments in equity shares of associates which are not categorised as assets held for sale are shown under Note 9 "Investments".
- 15.4 During the financial year 2020-21 the company has incurred Rs. 25.49 lakhs (31 March 2020 Rs. 50.48 lakhs) on the behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. Further the company has received Rs. 41.30 lakh (31 March 2020 Rs. Nil) towards sale of RFP documents on the behalf of the these ITPs under incorporation. These ITP companies have been incorporated after 31 March 2021 and the amount receivable and payable have been transferred to respective ITP.

15.5 Equity Investments Held for Sale

(Rs. in lakh)				
Particulars	Number of shares and Face Value per share	Proportion of ownership interest	As at 31 March 2021	As at 31 March 2020
Vapi II-North Lakhimpur Transmission Limited	Nil shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	-	1.00
Koppal-Narendra Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00
Karur Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, 10000 shares)	100%	1.00	1.00
Sikar-II Aligarh Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Khetri-Narela Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Ananthpuram Kurnool Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Bhadla Sikar Transmission Limited	10000 shares of Rs. 10 each (31st March 2020, Nil shares)	100%	1.00	-
Total			6.00	3.00

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

(Rs. in lakh)		
Particulars	As at 31 March 2021	As at 31 March 2020
Vapi II-North Lakhimpur Transmission Limited	-	371.11
Koppal-Narendra Transmission Limited	426.58	181.11
Karur Transmission Limited	307.77	183.90
Sikar-II Aligarh Transmission Limited	435.55	-
Khetri-Narela Transmission Limited	268.17	-
Ananthpuram Kurnool Transmission Limited	71.47	-
Bhadla Sikar Transmission Limited	393.17	-
	1,902.72	736.12

Notes:

- Interest on loans to associates is accounted for on accrual basis at the Power Finance Corporation Limited's rate of interest applicable for project loan/scheme (Transmission) to State sector borrower (category A) as applicable from time to time.
- The Company has been appointed as bid process co-ordinator for transmission schemes by Ministry of Power, Government of India. Accordingly, the Company incorporates wholly owned associates as Special Purpose Vehicle in respect of Independent Transmission Project (ITPs).
- Two associates namely Vapi II-North Lakhimpur Transmission Limited and Bikaner-II Bhiwadi Transco Limited has been sold to the successful bidder during the current Financial Year 2020-21.
- Company spent amount on behalf of the ITPs and same is shown as loan to ITPs. As per the requirement of IND AS 105, loan amount is to be shown under as "Assets held for Sale".

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16 Equity share capital

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Authorised share capital: 11,00,000 Equity shares of Rs 10 each (as at 31 March 2020 11,00,000 Equity shares of Rs 10 each)	110.00	110.00
Issued, subscribed and fully paid up shares : 52,246 equity shares of Rs 10 each (as at 31 March 2020 52,246 Equity shares of Rs 10 each)	5.22	5.22
Total	5.22	5.22

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

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

Particulars	(Rs. in lakh)			
	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance	52,246	5.22	52,246	5.22
Issued during the year	-	-	-	-
Closing balance	52,246	5.22	52,246	5.22

c) Shares held by holding company

Name of shareholder	(Rs. in lakh)			
	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	Amount	No. of shares held	Amount
Power Finance Corporation Limited, the Holding Company *	52,246	5.22	52,246	5.22

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Power Finance Corporation Limited, the Holding Company *	52,246	100%	52,246	100%

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

e) Aggregate number and class of shares allotted as fully paid up without payment being received in cash

(i) Current year - NIL

(ii) During the financial year 2018-19, pursuant to amalgamation of PFC Capital Advisory Limited (PFCCAS) with the Company, 2246 shares were issued to the shareholder of PFCCAS.

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17. Other equity

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve and Surplus		
(a) Capital Reserve (Note i)	9.78	9.78
(b) Retained earnings (Note ii and 17.1)	8,712.63	6,002.78
Total	8,722.41	6,012.56

Notes:

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

ii Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. This will be utilised for the purposes as per the provisions of the Companies Act 2013.

(Rs. in lakh)

17.1. Retained Earnings

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	6,002.78	9,159.25
Adjustment for adoption of Ind AS 116*	-	59.89
Profit for the year	2,709.85	5,825.30
Payment of interim dividends	-	(7,500.00)
Tax on interim dividends	-	(1,541.65)
Balance at the end of the period	8,712.63	6,002.78

* During the financial year 2019-20, Rent Equalisation balance as per Ind AS 17 of Rs. 59.89 lakh as on 31-Mar-19 has been written off and charged to retained earnings due to adoption of Ind AS 116 w.e.f. 1-Apr-19.

18. Financial liabilities

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability - Office Premises**	-	72.57
Total	-	72.57

** Refer note 36- Leases.

		(Rs. in lakh)	
19 Trade payables			
Particulars	As at 31 March 2021	As at 31 March 2020	
Current			
Total outstanding dues of micro enterprises and small enterprises; and	21.21	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,018.68	708.59	
Total	1,039.90	708.59	

- Refer note no. 40
- The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

		(Rs. in lakh)	
20 Lease liability			
Particulars	As at 31 March 2021	As at 31 March 2020	
Current			
(a) Lease liability - Office Premises*	72.57	269.33	
Total	72.57	269.33	

- * Refer note 36- Leases.

		(Rs. in lakh)	
21 Other financial liabilities			
Particulars	As at 31 March 2021	As at 31 March 2020	
Current			
(a) Security deposit	35.07	1.42	
(b) Payable to successful developer (ITPs)	123.83	97.60	
(c) Amount received for short term bidding of power (e-DEEP) (Note 21.1)	2,169.44	1,555.23	
(d) Amount payable to Power Finance Corporation Limited	98.33	77.60	
(e) Funds from PFC for UT privatisation (including interest accrued) (Note 14.2)	192.03	-	
(f) Other payables	21.82	8.44	
Total	2,640.53	1,740.29	

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

		(Rs. in lakh)	
22 Other current liabilities			
Particulars	As at 31 March 2021	As at 31 March 2020	
(a) Statutory dues payable	227.20	149.58	
Total	227.20	149.58	

		(Rs. in lakh)	
23 Provisions			
Particulars	As at 31 March 2021	As at 31 March 2020	
Current			
(a) Provision for employee bonus/incentive	343.80	294.08	
(b) Provision for CSR Expenditure	104.56	-	
(c) Provision for expenses	2.12	-	
Total	450.48	294.08	

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24 Revenue from operations

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of services:		
Consultancy	6,776.83	11,125.99
Other operating revenue:		
-Sale of Request for Qualification (RFQ)	8.00	14.00
-Processing fee	0.42	2.46
Total	6,785.26	11,142.45

25 Other Income

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from financial assets at amortised cost		
-On bank deposits	359.42	481.62
-On receivables from associate companies of holding company	104.80	83.57
Interest on loan to associate companies	150.01	61.06
Unwinding of discount on employees loans	15.99	40.54
Unwinding of discount on security deposit	5.53	6.53
Interest on Income Tax Refund	6.33	-
Miscellaneous Income	-	18.81
Other non-operating income:		
Provisions no longer required written back:		
- for expenses	17.89	1.36
- for doubtful debts and advances	-	28.97
- for loss of shortage in property, plant and equipment	0.42	-
Total	660.40	722.47

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26 Consultancy Service Expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub consultancy charges	1,381.26	1342.29
Advertisement expenses	2.59	12.77
Others	-	4.12
Total	1,383.85	1,359.18

27 Employee benefits expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	1,016.22	965.43
Contribution to provident and other funds	139.91	130.19
Staff welfare expenses	63.57	166.62
Deferred employee benefits written off	38.24	12.77
Total	1,257.93	1,275.01

Notes:

- a) The Employee benefits include Rs. 103.54 lakh (previous year Rs 94.99 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits.

28 Finance Cost

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expense : Lease (Office Premises)	23.90	54.45
Total	23.90	54.45

- Refer to Note 37- Leases

29 Depreciation and amortisation expense

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On property, plant and equipment - Note 2	88.51	97.95
On right of use - Office Premises - Note 3	253.61	253.61
On Intangible assets - Note 4	0.16	3.57
Total	342.27	355.13

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30 Other expenses

(Rs. in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Payments to auditor:		
As Auditor	5.00	3.00
Tax audit fee	1.25	0.81
GST Audit fee	-	0.84
Advertisement expenses	-	3.07
Loss on Property, Plant and Equipments written off	1.12	0.59
Business Promotion	-	25.73
Diwali Expenses	5.17	12.62
Electricity and water charges	18.91	15.57
Entertainment expenses	21.10	95.68
Insurance	-	0.14
Interest paid on TDS and Income tax	0.11	0.03
Legal and professional expenses	5.44	38.62
Loss on sale of property, plant and equipment	1.66	0.39
Meeting expenses	0.27	12.52
Miscellaneous expenses	10.10	8.68
Office maintenance expenses	38.87	56.00
Office rent	12.28	61.65
Outsourcing expenses	350.91	315.09
Printing and stationery	7.13	8.84
Rates and Taxes	5.26	1.53
Telephone expenses	14.87	11.94
Training expenses	12.63	119.74
Travelling and conveyance	7.65	109.56
Vehicle hiring and running expenses	7.66	20.79
Bad debts written off- Note 5(b) & 6(b)	-	343.23
Less: Provision for doubtful debts made in earlier years	-	(343.16)
Investment written off (equity shares of associate companies)	-	10.00
Less: Impairment of Investment in earlier years- Note 9	-	(10.00)
Allowances for doubtful debts and advances	104.29	37.20
Impairment in value of investment	-	0.81
Total	631.68	961.51

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

	(Rs. in lakh)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Profit after tax used as numerator (Rs. in lakh)	2,709.85	5,825.30
Weighted average number of Equity shares used as denominator (basic and diluted)	52,246	52,246
Earning per equity share, face value Rs. 10 each (basic and diluted) (Rs.)	5,186.71	11,149.74

32 Segment information

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

32 Information about major customers

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

	(Rs. in lakh)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bikaner-II Bhiwadi Transco Limited	1,658.17	-
Vapi-II North Lakhimpur Transmission Ltd.	831.90	-
West Bengal State Electricity Distribution Co. Ltd	909.45	-
Bluj-Transmission Limited	-	1,415.19
Bikaner Khatri Transmission Limited	-	1,516.91
Fatehgarh-II Transco Limited	-	1,188.11
Lakadia-Vadodara Transmission Limited	-	1,553.35
	3,399.52	5,673.56

- No other single customer contributed 10% or more to the Group's revenue for both financial year 2020-21 and 2019-20.

33 Tax Expense

	(Rs. in lakh)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	1,009.31	1,840.50
Income tax adjustment for earlier years	6.80	5.53
	1,016.11	1,846.02
Deferred tax		
In respect of the current year (refer note 7)	(54.33)	188.31
	(54.33)	188.31
Total tax expense recognised in the Statement of profit and loss	961.78	2,034.34

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

Profit before tax	3,671.63	7,859.63
Applicable Tax Rate	25.168%	25.168%
Calculated income tax expense	924.07	1,978.11
Tax effect of:		
Non-deductible expenses	32.88	4.64
Tax exempt income	(5.42)	(11.85)
Adjustment on account of change in deferred tax rate	-	60.56
Income tax adjustment for earlier years	6.80	5.53
Others	3.44	(2.61)
Income tax expense recognised in profit or loss	961.78	2,034.39

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34 Related Party Disclosures

34.1 Name of related parties and description of relationship:

Holding Company	
1	Power Finance Corporation Limited (PFCL)
Fellow Subsidiary Companies	
1	REC Limited (RECL)
2	REC Power Distribution Company Ltd (through RECL)
3	REC Transmission Projects Company Limited (through RECL) (amalgamated with REC Power Distribution Company Ltd. vide MCA order dated 03.02.2021)
Associate Companies	
1	Tanda Transmission Company Limited*
2	Shangongtong Karam-Wangtuo Transmission Limited*
3	Bijawar-Vidarbha Transmission Limited (National Committee on Transmission (NCT) has already recommended for closure/de-notification of the scheme/TPP, however, formal gazette notification from MoP is awaited)
4	Vapi II North Lakhimpur Transmission Limited- transferred to Sterlite Grid 13 Limited on 23rd June, 2020
5	Karur Transmission Limited
6	Koppal-Narendra Transmission Limited
7	Sikar-II Aligarh Transmission Limited
8	Khetri-Narela Transmission Limited
9	Ananthpuram Kumool Transmission Limited
10	Bikaner-II Bhiwadi Transco Limited-transferred to Power Grid Corporation of India Limited on 25th March, 2021
11	Bhadla Sikar Transmission Limited
Associate of PFCL	
1	Constal Maharashtra Mega Power Limited*
2	Sakhigopal Integrated Power Company Limited
3	Orissa Integrated Power Limited
4	Ghogarpalli Integrated Power Company Limited
5	Constal Karnataka Power Limited*
6	Tatiya Andhra Mega Power Limited*
7	Constal Tamil Nadu Power Limited
8	Deoghar Mega Power Limited
9	Chhattisgarh Surguja Power Limited*
10	Cheyur Infra Limited
11	Deoghar Infra Limited
12	Odisha Infrapower Limited
13	Bihar Infrapower Limited
14	Bihar Mega Power Limited
15	Jharkhand Infrapower Limited
Associate of RECL	
16	Sikar New Transmission Limited
17	Rangarh New Transmission Limited (Transferred to M/s Power Grid Corporation of India Limited on 09.03.2021)
18	MP Power Transmission Package-II Limited
19	MP Power Transmission Package-I Limited
20	Gadag Transmission Limited
21	Fatehgarh Bhadla Transco Limited
22	Rajgarh Transmission Limited
23	Bidar Transmission Limited
24	Dinchnag Transmission Limited
25	Chandil Transmission Limited
26	Dumka Transmission Limited
27	Mandar Transmission Limited
28	Koderna Transmission Limited
29	Kallam Transmission Limited
Joint Venture of PFCL	
1	Energy Efficiency Services Limited ("EESL" through EESL)
2	Ceighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)
4	Edina Acquisitions Limited (through EESL)
5	Anesco Energy Services (South) Limited (through EESL)
6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)
8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)
10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)
12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)
14	Edina Manufacturing Limited (through EESL)
15	EPSL Trigenation Private Ltd (through EESL)
16	Convergence Energy Services Limited (through EESL)

*under process of striking off

Key Managerial Persons (KMP)		
S. No.	Name	Designation
1	Shri. Ravinder Singh Dhillon (Director w.e.f. 12-Jun-2019 upto 31-May-2020) (Chairman w.e.f. 01-Jun-2020)	Chairman
2	Shri. Rajeev Sharma (Superannuated on 31-May-2020)	Chairman
3	Shri Praveen Kumar Singh (since 17-Sep-2018)	Director
4	Smt. Parminder Chopra (w.e.f. 01-Jul-2020)	Director
5	Shri Naveen Bhusan Gupta (since 24-Aug-2017 superannuated on 30-Jun-2020)	Director
6	Shri Yogesh Juneja (w.e.f. 10-Oct-18 upto 04-Aug-2020)	Chief Executive Officer
7	Shri Manoj Kumar Rana (since 05-Aug-2020)	Chief Executive Officer
8	Shri Manish Kumar Agrawal	Company Secretary

34.2 Details of transactions:

34.2.1. Transactions with Holding Company and its Associates

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Manpower Charges	280.79	775.40
Consultancy Fees	53.50	81.50
Amount receivable for reimbursement of expenses	140.26	382.81
Interest Income on Receivables from UMP's	104.80	83.57
Dividend Paid	-	7,500.00

34.2.2. Transactions with Associates

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Manpower Charges	1,457.44	595.46
Loans granted	1,166.59	359.06
Interest Earned	150.01	61.06
Consultancy charges on transfer of JTP to successful bidder	2,183.96	5,991.65

34.2.3. Transactions with entities under the control of same government

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

Name of related party	Nature of transaction	(Rs. in lakh)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
NTPC Vidyut Vyanas Nigam Limited	Short Term Bidding Fees	47.00	20.17
NHPC Limited	Short Term Bidding Fees	3.48	17.00
Coal India Ltd.	Consultancy Income	-	33.50
Power Grid Corporation of India Limited	Sale of RFQ	1.00	2.00
MSTC Limited	Consultancy Expense	188.70	179.58
SBI Capital Markets Limited	Consultancy Expense	160.23	20.00
Railtel Enterprises Ltd	Outsourcing Expenses	13.47	4.41

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

34.2.4. Compensation of key management personnel:

The Key Managerial personnel (KMP) of the Company are employees of the Power Finance Corporation Limited deployed on part time basis except C.E.O and Company Secretary who are on full time basis. No sitting fees has been paid to the directors. Details of managerial remuneration paid to KMP is as under:-

Particulars	(Rs. in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>Short term employee benefits</u>		
CEO	66.42	69.47
Company Secretary	41.37	38.83
<u>Post-employment benefits</u>		
CEO	2.13	2.27
Company Secretary	1.25	1.22
	111.18	111.80

34.3. Details of outstanding balances:

34.3.1. Outstanding balances with group companies

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Amount receivable including interest accrued		
- From holding company and its associates	2,161.32	1700.43
- From associates	1,902.81	736.24
- From associates (under incorporation)	25.49	50.48
Amount payable to associates (under incorporation)	41.30	-
Amount payable including interest accrued to holding company	192.03	-

34.3.2. Outstanding balances with entities under the control of same government

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
- Amount payable to		
SBI Capital Markets Limited	13.19	21.20
MSTC Limited	29.01	2.70
Railtel Enterprises Ltd	20.20	17.58

Notes:

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

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35 Financial Instruments

35.1 Capital Management

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

35.2 Categories of financial instruments

Financial assets and liabilities		(Rs. in lakh)	
Particulars	Note	As at 31 March 2021	As At 31 March 2020
Financial assets measured at amortised cost			
Cash and cash equivalents	11	3,103.63	498.08
Other Bank Balances	12	665.92	903.54
Trade receivables	10	2,743.50	2,658.64
Loans	5	71.29	254.05
Other financial assets	6	2,535.42	2,212.71
Total		9,119.76	6,527.03
Financial liabilities measured at amortised cost			
Trade payables	19	1,039.90	708.59
Lease Liability	18,20	72.57	341.90
Other Financial Liabilities	21	2,640.53	1,740.29
Total		3,753.00	2,790.78

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

35.3 Financial Risk Management

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

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

A. Liquidity Risk

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

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2021 and 31 March 2020.

B. Market Risk

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

i) Foreign Currency Risk

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

ii) Interest Rate Risk

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

iii) Equity Price Risk

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

C. Credit Risk

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

i) Trade Receivables

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

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

(I) Ageing analysis of Trade receivables is as follows :

Particulars	(Rs. in lakh)			
	0 to 1 year	1 to 2 year	More than 2 years	Total
Gross carrying amount as at 31 March 2021	1,657.35	492.15	1,340.77	3,490.28
Gross carrying amount as at 31 March 2020	2,579.57	158.15	565.03	3,302.75

(II) Movement in the expected credit loss allowance

Particulars	(Rs. in lakh)	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	644.11	671.39
-Impairment allowance reversal	-	27.28
-Impairment losses recognised	102.67	-
Balance at the end of the year	746.78	644.11

ii) Loans

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

iii) Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 3103.63 lakh (as at 31 March 2020 Rs. 498.08 lakh). The same are held with scheduled banks with good rating and hence the risk of default is managed.

iv) Deposits with banks

The Company held deposits with banks of Rs. 2204.23 lakh (as at 31 March 2020 Rs. 2346.41 lakh). In order to manage the risk, Company places deposits with only scheduled banks with good rating.

35.4 Fair value hierarchy

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

36. Leases

(Rs. in lakh)			
S.No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a)	Amortisation charge for right-of-use assets by class of underlying asset (Refer Note 3)	253.61	253.61
(b)	Interest expense on lease liabilities (Refer Note- 28)*	23.90	54.45
(c)	The expense relating to short-term leases	-	48.58
(d)	The expense relating to leases of low-value assets	7.54	7.43
(e)	Total cash outflow for leases	300.77	339.18
(f)	The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset. (Refer Note 3)	63.40	317.01

*for impact of prior period item, refer Note 47.

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

(Rs. in lakh)			
S.No	Particulars	As at 31 March 2021	As at 31 March 2020
(a)	Opening balance	341.90	-
(b)	Additions during the year	-	570.62
(c)	Finance cost accrued during the year	23.90	54.45
(d)	Payment of lease liabilities	293.23	283.18
(e)	Closing balance	72.57	341.90

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis as at 31.03.2021 :

(Rs. in lakh)			
S.No	Particulars	As at 31 March 2021	As at 31 March 2020
(a)	Upto 1 year	73.31	293.23
(b)	1-5 years	-	73.31
(c)	More than 5 years	-	-

36.1 Lease premises for the employee's residence is a part of their compensation and is not considered here as the same is included in Salary & Allowances (refer note 27-Employee Benefit Expenses).

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

37. Assets classified as Held for Sale

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

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

I. RFQ

II. RFP

III. Reverse Auction Bidding

IV. Issue of LoI

V. Share Transfer Agreement

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

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

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38. Contingent Liabilities

(Rs. in lakh)			
S. No.	Description	As at 31 March 2021	As at 31 March 2020
(a)	Claims against the company not acknowledged as debt #	18.16	-
(b)	Guarantees excluding financial guarantees	-	-
(c)	Others	-	-
(i)	Bank Guarantee issued (against 100% margin)	230.97	271.70
(ii)	Disputed income tax matter under appeal *	265.73	265.73

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

The Statutory Auditor of the company for preceding FY 2019-20 has claimed an amount of Rs. 21.16 lakhs towards audit fee against the approved audit fee of Rs. 3.00 lakhs. Further communication in this regard with the auditor is underway. Therefore the claim raised by auditor net of already provided fees is disclosed as claim against the company not acknowledged as debt.

39. Capital and other commitments

(Rs. in lakh)			
S. No.	Description	As at 31 March 2021	As at 31 March 2020
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b)	Other Commitments - CSR unspent amount pertaining to the period up to 31.03.2020	93.23	123.06

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

(Rs. in lakh)			
S. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(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	21.21	-
	- Interest due on above	-	-
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the year	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2021 (Nil as at 31.03.2020). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.

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41. Transactions in foreign currency -

(i) Earnings

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

(ii) Expenditure

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

42 Corporate Social Responsibility (CSR) Expenses

During the year, Ministry of Corporate Affairs (MCA) has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ('amendment') and has also notified the effective date as 22.01.2021 for the amendments of Section 135 of the Companies Act made vide Companies Amendment Act, 2019 and Companies Amendment Act, 2020. In accordance with the amendment under the said notifications, any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Any unspent amount pursuant to any ongoing project must be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years, failing which it shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Further, if the Company spends an amount in excess of the requirement under statute, the excess amount may be set off for three succeeding financial years against the amount to be spent. As the notification is made effective during FY 2020-21. The Company is complying with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the current financial year. Further, the unspent CSR amount as at 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

- a) Details of amount required to be spent by the Company on CSR activities as per the pre-amendment framework (i.e. for period up to 31.03.2020) and as per the post-amendment framework (i.e. for FY 2020-21) during the year is as under:

Particulars	(Rs. in lakh)			For the year ended 31 March 2020
	For the year ended 31 March 2021			
	For period up to 31.03.2020	For FY 2020-21	Total	
Carry forward from previous year	123.06	-	123.06	5.74
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	-	104.56	104.56	117.32
Gross amount required to be spent	123.06	104.56	227.62	123.06
Amount spent/provided during the year *	29.83	104.56	134.39	-
Unspent amount	93.23	-	93.23	123.06

* Provision for CSR expenditure for FY 2020-21 has been made as per amended CSR provisions and the amount has been transferred in a separate bank account within 30 days from the end of financial year.

- b) Details of amount spent during the year

Particulars	(Rs. in lakh)			(Rs. in lakh)		
	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Paid or Settled	Yet to be paid	Total	Paid or Settled	Yet to be paid	Total
Construction / Acquisition of any asset (i)	-	-	-	-	-	-
On Purposes other than (i) above						
Financial Assistance for Skill development training of unemployed youth belonging to SC/ST/OBC/PWD Women/EWS Categories through IGIAT	29.83	-	29.83	-	-	-
Total (ii)	29.83	-	29.83	-	-	-
Grand Total (i) and (ii)	29.83	-	29.83	-	-	-

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43 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013: -

(Rs. in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit and loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount
Parent Company				
PFC Consulting Limited	100.000%	8,727.63	100.000%	5,825.30
Indian Associates (Investment as per the equity method)				
Tanda Transmission Company Limited	0.000%	-	0.00%	0.00
Bijawar-Vidarbha Transmission Limited	0.000%	-	0.00%	0.00
Shongtong Karcham-Wangtoo Transmission Limited	0.000%	-	0.00%	0.00
Less : Investment in associates	0.000%	-	0.00%	0.00
Total	100.000%	8,727.63	100.00%	5,825.30

44 The Group has nine wholly owned subsidiaries as on 31 March 2021 (as at 31.03.2020 six) registered for Independent Transmission Projects formed as special purpose vehicle (SPVs). These subsidiaries have been treated as "Associates" for the purpose of consolidation, except when the investment, or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Although, under para 4 of Ind AS 110 and para 17 of Ind AS - 28, PFCCCL is not required to prepare/present consolidated financial statements and cash flow statement. The Company has decided to prepare consolidated financial statement as at 31 March 2021. The details of nine associates as on 31 March 2021 are given below :

Name of the Company	% of holding	Place of Incorporation/ Principal place of business	Status
Tanda Transmission Company Limited (under process of striking off)	100%	India	Consolidated
Shongtong Karcham-Wangtoo Transmission Limited (under process of striking off)	100%	India	Consolidated
Bijawar-Vidarbha Transmission Limited (recommended for closure)	100%	India	Consolidated
Sikar-II Aligarh Transmission Limited*	100%	India	Held for sale as per Ind AS 105
Karur Transmission Limited	100%	India	Held for sale as per Ind AS 105
Khetri-Narela Transmission Limited	100%	India	Held for sale as per Ind AS 105
Koppal-Narendra Transmission Limited	100%	India	Held for sale as per Ind AS 105
Ananthapuram Kurnool Transmission Limited	100%	India	Held for sale as per Ind AS 105
Bhadla Sikar Transmission Limited	100%	India	Held for sale as per Ind AS 105

*transferred after balance sheet as on 8th June 2021

ITPs though wholly owned subsidiaries under the Companies Act - 2013, have been consolidated as 'associates' using equity method (other than held for sale) and have applied uniform accounting policies for like transactions.

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45 Balance Confirmation from parties

The company has sent letters to various parties under trade receivables, advances, payables, bankers etc. for confirmation of balances as at 31.03.2021. Status of confirmation received from these balances as on date of approval of financial statements are as under: -

Particulars	Amount as on 31.03.2021	Confirmed	Not Confirmed
Loans	71.29	0.09	71.20
Other financial assets	2,535.42	2,535.42	-
Trade receivables	2,743.50	-	2,743.50
Cash and cash equivalents	3,103.63	3,103.63	-
Bank balances other than cash and cash equivalents	665.92	665.92	-
Other current assets	143.69	-	143.69
Trade payables	1,039.90	249.23	790.67
Other financial liabilities	2,640.53	290.37	2,350.16

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

46 Prior period items:

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

					(Rs. in lakh)
S. No.	Particulars	As on 31.03.2020 as per last audited Balance Sheet	Prior period items	As on 31.03.2020 Restated	Remark
A	Balance Sheet (relevant items)				
	Assets				
	Other financial assets (Non current)	1,384.50	58.37	1,442.87	Interest on bank deposits of previous year provided for
	Other financial assets (Current)	773.65	(3.82)	769.84	Training expenses booked by adjusting supplier advance
	Deferred tax assets (net)	261.50	(3.55)	257.95	Deferred tax impact of prior period adjustments
	Other current assets	213.16	(50.48)	162.67	Amount receivable from ITP under incorporation shown in Assets classified as held
	Assets classified as held for sale	739.12	50.49	789.61	Amount receivable from ITP under incorporation shown in Assets classified as held
	Total		51.01		
	Equity & Liability				
	Other equity (Retained earnings)	6,001.99	10.57	6,012.56	Net effect on retained earnings of prior period errors
	Non current financial liabilities Lease liabilities	56.99	15.59	72.57	Impact of Interest on Lease under provided
	Trade payables	707.09	1.50	708.59	Liability towards prior period expenses provided
	Current financial liabilities Lease liabilities	245.98	23.34	269.33	Impact of Interest on Lease under provided
	Total		51.00		

PFC CONSULTING LIMITED

(CIN: U74140DL2008GOI175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

B. Statement of Profit & Loss for year ending 31.03.2020 (relevant items)				
Other income	664.10	58.37	722.47	Interest on bank deposits of previous year provided for
Consultancy service expenses	1,356.73	2.45	1,359.18	Regrouping of consultancy service expense from other expenses
Finance Cost	15.52	38.93	54.45	Interest on Lease underprovided
Other expenses	958.64	2.87	961.51	Regrouping of consultancy service expense from other expenses and prior period expenses
Profit before tax	7,845.51	14.12	7,859.63	Net effect of prior period items on profit before tax
Tax expenses:				
Current tax	1,840.50	-	1,840.50	NIL effect
Income tax adjustment for earlier years	5.53	-	5.53	NIL effect
Deferred tax	184.76	3.55	188.31	Tax effect of prior period items
Total tax expenses	2,030.79	3.55	2,034.34	Tax effect of prior period items
Profit after tax	5,814.73	10.57	5,825.30	Net effect of prior period items on profit after tax
Earnings per share (Basic & Diluted)	11,129.51	20.23	11,149.74	Net effect of prior period items

- 47 The Statutory Auditor of PFCCL during the course of audit for FY 2019-20, highlighted certain suspected irregularities in some of the transactions of PFCCL related to business promotions, official hospitality and related allocation of expenses to subsidiaries/ fellow subsidiary companies. Statutory Auditor of PFCCL vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCL and MCA. Based on this letter of Statutory Auditor of PFCCL, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way. Statutory Auditor has issued a disclaimer opinion on preceding year financial statements for these suspected irregularities.

In continuation to the above, during the financial year 2020-21 similar transactions were noted which are as under: -

Head	Rs. in lakhs
Official hospitality	21.10
Misc. Expenses/Reimbursements	3.69
Consultancy	1.35
Tour and Travel	0.77
Advance	1.28
Total	28.18

The above include 11 Nos. missing Bank Payment Voucher of Rs.7.17 lakhs pertaining to payments to vendors, employees etc. The expenditure has been booked under respective accounting head and necessary effect related to recoverability etc. will be considered after completion of enquiry.

48 Incorporation of Associate Companies

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

PEC CONSULTING LIMITED

(CIN: U74140DL2008GO1175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

During the year, following associates (ITP) have been incorporated:

(Rs. in lakh)

Company Name	Year ended 31.03.2021			Year ended 31.03.2020		
	Date of Incorporation	Share in ownership	Investment in Share Capital	Date of Incorporation	Share in ownership	Investment in Share Capital
Sikar-II Aligarh Transmission Limited	17-05-2020	100%	1.00	-	-	-
Khetri-Narela Transmission Limited	15-05-2020	100%	1.00	-	-	-
Ananthpuram Kurnool Transmission Limited	13-05-2020	100%	1.00	-	-	-
Bikaner-II Bhiwadi Transco Limited	12-05-2020	100%	1.00	-	-	-
Rhadla Sikar Transmission Limited	13-05-2020	100%	1.00	-	-	-
Koppal-Narendra Transmission Limited	-	-	-	18-11-2019	100%	1.00
Karur Transmission Limited	-	-	-	20-11-2019	100%	1.00
Meerut-Simbhavali Transmission Limited	-	-	-	17-06-2019	100%	1.00

49 Transfer/Disinvestment of Associate Companies:

Name of the Company	Year ended 31.03.2021		Year ended 31.03.2020	
	Date of Incorporation	Date of transfer to successful bidder	Date of Incorporation	Date of transfer to successful bidder
Vapi II North Lakhimpur Transmission Limited	25-06-2018	23-06-2020	-	-
Bikaner-II Bhiwadi Transco Limited	12-05-2020	25-03-2021	-	-
Meerut-Simbhavali Transmission Limited	-	-	17-06-2019	19-12-2019
Bikaner-Khetri Transmission Limited	-	-	22-02-2019	19-09-2019
Bhuj-II Transmission Limited	-	-	25-02-2019	16-10-2019
Patchgarh-II Transco Limited	-	-	26-02-2019	14-10-2019
Lakadia-Vadodara Transmission Project Limited	-	-	15-03-2019	26-11-2019

PFC CONSULTING LIMITED

(CIN: U74140DL2008GO1175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2021

50 Standards/ amendments issued but not yet effective

The Ministry of Corporate Affairs ("MCA") through a notification dated 24.03.2021, amended Division II of Schedule III of the Companies Act, 2013 w.e.f. 01.04.2021. The Company will assess and implement the amendments to Division II in the FY 2021-22, as applicable.

51 Events occurring after the reporting date

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

For and on behalf of Board of Directors


(Manish Kumar Agrawal)

Company Secretary

M. No. F5048



(Manoj Kumar Rana)

Chief Executive Officer


(Parminder Chopra)

Director

(DIN 08530587)


(Ravinder Singh Dhillon)

Chairman

(DIN 00278074)

For K P M C & Associates

Chartered Accountants

(Firm Registration No: 005359C)



(Sanjay Mehra)

Partner

M. No. 075488



Place: - New Delhi

Date: - 29 Nov 2021

Part "B":

Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No	Name of Associates/Joint Ventures	Bijawar Vidarbha Transmission Limited	Bhadra Sagar Transmission Limited	Koppal Narvada Transmission Limited	Khetri-Narela Transmission Limited	Karur Transmission Limited	Ananthapuram Kurmool Transmission Limited	Sikar Aligarh II Transmission Limited	Tanda Transmission Company Limited	Shonging Kutchana-Aranga Transmission Limited
1.	Latest audited Balance Sheet Date	31.3.2021	31.3.2021	31.03.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021	31.3.2021
2.	Shares of Associate held by the company on the year end									
	No. of shares	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Amount of Investment in Associates	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Extend of Holding %	100%	100%	100%	100%	100%	100%	100%	100%	100%
3.	Description of how there is significant influence	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control	100% Control
4.	Reason why the associate is not consolidated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	0.81	0.86	0.21	0.86	0.21	0.86	0.86	0.86	0.86
6.	Profit / Loss for the year	-	-0.14	-0.25	-0.14	-0.25	-0.14	-0.14	-0.14	-0.14
"	Considered in Consolidation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B)	Not Considered in Consolidation									

Note

1) All the ITPs are under pre-operative stage and yet to commence operations.

2) The Audit of Associate Karur Transmission Limited for FY 2020-21 is under Progress

3) The Group is holding 100% of share capital but these investment are managed as per mandate from Government of India and the group does not have the practical ability to direct the relevant activities of these companies unilaterally. As such, these companies have been treated as associate companies.

4) Associates have been classified as held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered for consolidation

5) The Following 5 Companies were incorporated during the year

- Bhadra Sagar Transmission Limited
- Khetri-Narela Transmission Limited
- Ananthapuram Kurmool Transmission Limited
- Bikaver II Bhivadi Transmission Limited
- Sikar Aligarh II Transmission Limited
- Bikaver II Bhivadi Transmission Limited & Vap II - North Lakhimpur Transmission Limited has been transferred during the year.

For and on behalf of Board of Directors

(Signature)
(Nand Kaur Agrawal)
Company Secretary
M. No. F9048

(Signature)
(Nand Kaur Rana)
Chief Executive Officer
(DIN 08530587)

(Signature)
(Ravinder Singh Dhillon)
Chairman
(DIN 00278074)

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



(Signature)
(Sanjay Mehra)
Partner
M. No. 075488